United Nations Development Programme

South & West Asia Sub Regional Resource Facility

Evaluation of First Phase

UNDP Pakistan – Essential Institutional Reforms Operationalisation Programme (PAK/97/006)

Final Draft – 9 March 2004

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Date:

January 2003

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List of Abbreviations and Glossary

BoS	Bureau of Statistics
DCIC	District Citizens Information Centre
DSP	Decentralisation Support Programme (ADB)
EIROP	Essential Institutional Reforms Operationalisation Programme
GoNWFP	Government of the North Western Frontier Province
LGE&RD Department	Local Government, Environment and Rural Development Department
MNA	Member of National Assembly
MPA	Member of Provincial Assembly
Naib Nazim	Vice Chair (District and Union Councils)
NARIMS	National Reconstruction Information Management System
Nazim	Chair (District and Union Councils)
NPD	National Project Director
NPM	National Project Manager
NRB	National Reconstruction Bureau
NWFP	North Western Frontier Province
PDTF	Provincial Decentralisation Task Force
PE&D Department	Planning and Development Department
SRF	Strategic Results Framework
ST&IT	Department of Science, Technology and Information Technology
TMA	*Tehsil* Municipal Administration
UNDP	United Nations Development Programme

Executive Summary

Introduction and background

1. An evaluation of the first phase of EIROP (2001-3) was conducted in accordance with the programme document. The main purpose of the evaluation was to ensure that lessons learned are applied in the design and implementation of the next phase. The purpose of the evaluation was not to analyse the impact (i.e. change with respect to the development objective).

2. EIROP was designed as a response to the Local Government Plan (2000) and the Local Government Ordinance (2001). It is formulated within the context of the UNDP Country Cooperation Framework 1998-2003 and expected to contribute to the Strategic Results Framework 2000-3.

3. The project is implemented by UNDP through a cost-sharing agreement with SDC and NEX execution by the Planning, Environment and Development Department of the Government of NWFP. A Project Review Board chaired by the Additional Chief Secretary comprises of members from other departments and the donors.

4. The project was signed on 27 February 2001 with a total budget of USD 4,359,116. Through 2003, total delivery was USD 1,597,450 (36.6 percent).

Project Design and Relevance

5. The project was very well designed in response to the decentralisation policy and remains highly relevant to the priorities and needs of the NWFP with the partnership between SDC and UNDP being a further advantage.

6. A number of weaknesses were inherent in the programme design related to the translation of focal problems/strategies into programme results, notably with respect to the focus on pro-poor services and the related aspects of facilitating participatory planning and linkages between citizens and local governments. A number of key areas were left as a menu of what could be supported through training courses.

7. The activities/outputs formulated under Outcome 3 could be expected to contribute to information collection and to sharing of information between the province and districts. However, the design was less strong in terms of the contribution to other core elements of the expected outcome related to transparency in decision-making and improved local governance through information.

8. Since the project was formulated when the elected local governments were established, there was limited stakeholder participation. The design did not envisage strong measures to include local elected representatives and local administrations in the implementation.

9. Seen from a perspective of Results-Based Management, the design has some weaknesses: some outputs are more outcomes, the activities/outputs seem too ambitious and, most important, few good indicators have been identified at the immediate objective level to concretise targets for what should be achieved and measure progress. This has contributed to the pressure on the programme management to initiate activities diverting the focus away from the process of policy change and from follow up.

10. The design of the programme envisages classroom training as the main vehicle for developing individual capacity. The design does not include strategies for development of organisational capacity. Supporting the role in policy development and local government needs, a decision was made to cover all districts rather than two as initially suggested. However, by not identifying a segment of districts/unions for piloting and intensive support, the programme design is not conducive to concrete attempts to further institutionalise local governance in accordance with the LGO 2001.

11. The absence of a distinction between the needs of rural and urban local governments does not appear to have made a significant difference with respect to the relevance of the capacity development support. However, it would be a key aspect to consider for the next phase.

Achievement of Intended Results of the Project (Outcomes and Outputs)

12. The findings of the evaluation should be seen in the context of short period of implementation and the very ambitious targets set with the project document. With respect to ***Immediate Objective 1, to facilitate the design and implementation of the decentralisation framework at the provincial and district level,*** the evaluation found that the support for the Provincial Decentralisation Task Force was pivotal for this institution in the initial phase. Also, the project has largely been successful in assisting the provincial and district governments to obtain a high degree of understanding of the LGO and to make the main body of rules, regulations and guidelines available in English and Urdu. With respect to the development of the framework for decentralization at the provincial level (the *design* element of the outcome), the programme has, however, to a very large extent remained a financing mechanism and only to a limited extent performed an advisory role vis-à-vis the provincial and district governments. Also, given the key role played by the NRB in formulating decentralisation policy, the absence of mechanisms for feeding back lesson-learned to central government has reduced the policy impact of the programme. With these limitations, the outputs intended under Outcome 1 have largely been achieved, including the development of the software for budgeting and network between provincial and district level. The major exception is the support envisaged for the Provincial Finance Commission, which was limited to one workshop, and support for the continuous process of identifying mandates at the various tiers of sub-national government.

13. With respect to ***Immediate Objective 2, to strengthen the new roles and responsibilities to be performed in the province and districts as a result of decentralisation through human and institutional capacity building,*** the project has

contributed to improvements in some areas with limited changes in others. The project has increased the awareness and sustainable capacity of district administrators and elected representatives to perform a number of new functions (and improved capacity of the administrators to perform existing functions). However, it appears that level of skills declines with the tiers of local government and within the hierarchy of each organisation - the 'composite training' with large district coverage has only been initiated and the results of this major effort is yet to be seen. The training has not covered all areas stipulated in the programme document with delays and cancellation further exacerbating the bias towards the institutions of local government, and the team has only to a limited extent responded to the technical advisor's recommendation to move beyond the NRB modules. The evaluations of the training when conducted has almost unanimously suggested to make the training more focussed, of longer duration and delivered in a more participatory manner – feedback which was confirmed during the evaluation – but there are limited indications that the project changed delivery strategies as a result. More fundamentally, following the design of the project, capacity development has largely been equated with classroom training with an absence of any set-up that can reach out to the district and union councils and develop the organisational capacity. The studies conducted have provided the provincial and district government with useful overviews in a number of areas but have not been an integrated part of a continuous dialogue on policy options and there has been limited follow-up. Also, some of the studies do not appear to be immediately relevant for the immediate objectives of the EIROP even if useful in their own right. The technical advice delivered with these studies is not representative of the policy advice UNDP could provide based on corporate knowledge and global comparative experiences.

14. The design of support under ***Immediate Objective 3, 'to enhance quality and transparency of decision-making through improved information collection and sharing at provincial and district level under the new decentralised set-ups'*** is, as mentioned above, biased towards sharing of information between the provincial and district level and information collection without a direct linkage to improvement in decision-making and transparency. In these areas, significant progress has been made; the financial management software assisting the districts to submit budgets to the provincial government through the Wide Area Network has been developed and is (with some limitations) used in the majority of districts visited, and the web portal has been developed for the provincial government. Also, some improvements in handling of data has been seen through the support to the Bureau of Statistics, and the first of the District Community Information Centres (DCICs) has become operational after a considerable delay of two years and against an initial target of DCICs being established in all districts. Whereas much progress has been made in these areas, the loosely formulated output 'accountability mechanisms will have been strengthened' has not been translated into any real progress in this area, and there are limited indications that the improved information management in BoS and the DCIC has resulted in improved decision-making. In order to have a real impact on transparency and downwards accountability of local governments, it appears that a better starting point would have been to help operationalise the provisions of the LGO (e.g. to provide public access to the annual plans and expenditure records) and to support the use of existing data in local government decision-making.

Project Strategies - Gender

15. A strategy for 'uplift of women' consisting of three elements has been identified in the project document. The first element stipulates that policy research was to be conducted on ways to achieve equality of rights and opportunities for women. No studies were undertaken according to the list provided by the project. As a second element of the strategy, it was decided to include 'a special sensitisation component on gender and governance in every training programme'. In the twelve TORs reviewed for the purpose of the evaluation, one included an explicit requirement for a special sensitisation component. As a third component, special attention is to be paid to ensure that priority is given to women when selecting trainees for the training programmes, and also trainees from union councils should have a number of women proportionate to the percentage of women as per the LGO. The analysis confirms a considerate effort on the side of the project and government to include women in training. Women's participation ranges from 0 to 67 per cent (and 100 per cent for the special training of women councillors) and whereas the target for women elected representatives has in most cases not been met, this should been seen in the context of women in many cases not being *de facto* represented as per the LGO and the majority of incumbents in the positions targeted for training being men.

Partnerships

16. EIROP has successfully established a mechanism, the Capacity Building Advisory Board (CBAB), for coordination of support for decentralised governance in NWFP and has provided technical assistance for the operation. Potentially, this is very strong tool for coordination and for the provincial government to ensure donor support in a coherent response to the decentralisation policy and implementation. However, local government representatives have only been included with a recent decision, and donor partners noted a self-centred approach of the UNDP programme, lack of coordination and considerable delay. Hence, the board would still have to prove its usefulness.

17. The programme has explored synergies with other programmes at the provincial and district level, including with the ADB-funded Decentralisation Support Programme. There is still some room for additional collaboration and coordination with programmes contributing to the same outcomes.

18. An effort has been made to link EIROP with other UNDP initiatives, particularly the W3P, but more synergies could be established. In particular, there is a need to identify more clearly the division of labour between the W3P and EIROP in order to ensure that gender is mainstreamed in EIROP rather than being deferred as matter to be dealt with by W3P.

Implementation and Programme Management Arrangements

19. With three NPDs and four NPMs in the first three years of implementation, the turnover in management has been very high leading to some changes in focus and direction. Despite these shortcomings, each of the NPDs have taken up a role conducive to this function as intended with the NEX agreement. Similarly, the NPMs have shown their capacity to manage the programme. However, a relationship with the NPD providing direction to the programme as a government policy maker and the NPM being a counterpart in substantive matters and the implementer has not been developed as a result of the institutional set-up. The NPMs have to a large extent functioned as a deputy to the NPD.

20. The organisational structure dividing programme professionals in a research wing and a training wing has to some extent introduced a dichotomy in the work of the programme. Also, it is likely that the programme would have performed better if the staffing had included specialists in subject matters related to decentralized governance.

21. The approval procedures for procurement of goods and services introduced for the programme as specified in the programme document has been an important reason for delays and low delivery, in particular the powers assigned to the PRB. The NEX agreements between UNDP and government normally allow for a significantly faster procedure.

22. The missions of the technical advisor attached to the programme have been helpful to the programme in terms of deciding on activities and providing technical input. The comparative advantage of UNDP gained through the global experience has only been utilised to a very limited extent. It appears that some areas have received limited technical support, e.g. notably participatory planning and fiscal decentralisation, and that more advice was needed on capacity development/delivery strategies rooted in concrete experiences with programme management and the process of supporting policy change.

23. The project has been executed by the PE&D Department but the question is to what extent the mandate of this department continuously reflects the multi-sectoral and thus inter-ministerial nature of decentralisation. The committees established with the programme provide an avenue for inclusion of other departments and government stakeholders but it appears that the ownership, to some extent, has primarily been with the executing agency.

Monitoring and Evaluation

24. An annual Quadri-Partite Review (QPR) comprising of the Economic Affairs Division, UNDP, SDC and the executing agency was envisaged and has been conducted twice during the first years of implementation. Bi-annual reviews through the Project Review Board involving a wider range of government and non-government stakeholders have also been conducted. Attendance in these meeting by identified officials through their subordinate staff has, however, diluted the effectiveness in terms of providing

guidance on the overall direction of the programme. The evaluation supports the programme management's decision not to establish a separate Project Steering Committee.

25. A function supporting monitoring was not envisaged with the design of the programme, and was only introduced in 2003. The programme has suffered substantially from the absence of systematic monitoring of outputs, tracking of contributions made to the immediate objectives, and monitoring of the quality of project services/feedback received. Progress in the first of these areas has been made since the post was created.

26. The two audits conducted for the years 2001 and 2002 have noted a number of irregularities of which several are presented as major in character by the auditors.

27. Based on the findings of the evaluation, a number of detailed recommendations are presented in chapter nine.

1.   Introduction and Background

1.1   *Introduction to the Evaluation Mission and Methodology*

28. A final evaluation was conducted 31 December 2003 - 18 January 2004 of the Essential Institutional Reforms Operationalisation Programme (EIROP). The mission was carried out by Henrik Fredborg Larsen, Policy Advisor on Decentralisation and Local Governance, UNDP Bureau of Development Policy/Sub-Regional Resource Facility for South and West Asia (Team Leader) and Zafar Ismael, National Consultant (Team Member).

29. The evaluation was conducted according to the TOR agreed upon with the UNDP and SDC Country Offices in Pakistan (see annex 1)[1], the UNDP Programming Manual *http://www.undp.org/bdp/pm* and the UNDP Monitoring and Evaluation Handbook (http://stone.undp.org/undpweb/eo/evalnet/docstore3/yellowbook/). The main purpose is to conduct a forward-looking review in order to ensure that the lessons learned from the first phase are incorporated in the design and implementation of the new programme expected to be commenced in September 2004. As agreed with UNDP and SDC Pakistan, the team has focussed on the results achieved (i.e. outcomes and outputs), hence, taking into account also the relatively short implementation period, it has been agreed that evaluation of the impact (i.e. achievement of development objectives) should not be included. Finally, it should be noted that documentation on the PA phase has not been available and the present programme staff were not involved at this stage so the evaluation focuses on the main project period starting with the signing of the present project document in 2001. For the purpose of presenting the findings of the evaluation in

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[1] A number of changes to the TOR was agreed with the UNDP Deputy Resident Representative, UNDP Programme Officer and SDC Programme. Final TOR prepared by UNDP Pakistan will be included in the Final Evaluation Report.

this report, the structure of the TOR is followed with minor changes and additional findings included in separate sections.

30. During the mission the team met with the EIROP project team and major stakeholders at the provincial level, including government departments, civil society organisations and NGOs involved in service delivery and capacity development, local government training institutions, and the Capacity Building Advisory Board (CBAB). During the subsequent field mission, a sample of three districts was selected out of the 24 districts in the province covered by the project. Within the district governments, focus groups discussions and interviews were conducted with the *Nazims* and *Naib Nazims*, councillors, the District Coordination Officer (DCO) and other representatives of the district administration. When feasible, separate discussions were held with the Executive Officer for Planning and Finance and the Planning Officer. In addition, two *Tehsil* Municipal Administrations and two unions were selected with a similar set of focus group discussions/interviews was conducted. A separate session was held with selected female councillors. Finally, the team met with the National Reconstruction Bureau and relevant partner agencies in Islamabad. Two separate debriefing sessions and discussions were held with Government and the project at provincial level, and with UNDP/SDC in Islamabad, respectively (see details on the schedule and organisations interviewed in annex 2). The mission was superbly organised and facilitated by the Monitoring Officer and the rest of the EIROP team with all documentation made available, including the 2003 Annual Project Report.

1.2   *Decentralised Governance in Pakistan: Policy and Implementation*

31. After the partition of British India, Pakistan inherited a reasonably effective form of local government even though their mandate was limited. In the rural areas the *Panchayats* (local council of elders) were responsible for the provision of local services. In the larger towns, particularly in Karachi, the councils were elected through adult franchise. These were responsible for the provision of municipal and social services and had powers to raise revenues, prepare plans for development and had autonomy over all budgetary matters. Since then, local governments in Pakistan have had a chequered history as a reflection of political changes. Spurts of democratic governments have been followed by autocratic, mainly military, rule. In the 55 years of Pakistan's history, these two forms of government have been seen in approximately equal proportions.

32. The first elected government in Pakistan through adult franchise was at the local government level during the first period of military government in the early 1960s through the Basic Democracies Ordinance. Union Councils were demarcated and the councillors elected to them were the electoral college for the subsequent establishment of assemblies at the provincial and federal level and also for the President. Since then a number of attempts at reviving local governments in various forms have been made by successive governments (mainly in periods of military rule).

33. Central government has had a history of limiting the functional responsibilities of local governments with the power largely vested in the de-concentrations of the provincial governments and in central government. In 2000, a process of devolution (administrative, fiscal and political) to the grass roots level was first attempted as part of a national reconstruction programme to successively devolve responsibility and authority from the federal to the provincial level and from the provincial level to the local levels. The implementation has to a large extent been the reverse of the planned sequence with the first major steps focussing on devolution from provincial to district level.

34. Local governments came into existence simultaneously throughout the country in August 2001 when elected councils were inducted at the District, Tehsil and Union Council Level. Elections by adult franchise were held for the councillors, *Nazims* and *Naib Nazims* (Mayors and Deputy Mayors). The Nazims are *de jure* members of the District Council and the Naib Nazims of the Tehsil Municipal Administration. Each of these higher tiers of local government are the Electoral College for the election of *Nazims* and *Naib Nazims* for their respective Councils.

35. Each level of local government is mandated to be responsible for a set of functions which encompasses economic, social, community and cultural infrastructure and services, manage their own financial resources (including those devolved from higher tiers) and prepare plans for their development. Through the Police Order, 2002 they are also responsible for the oversight of the functioning of the police. Potentially the District Nazim is a very powerful position in the province as he sets the budget and prepares the development plan for the district.

36. In October 2002, elected representatives took office as MPAs or MNAs on the completion of three years of rule by the military government. Elections at the local levels were held purportedly on a non-partisan basis. In effect, however, most candidates were either already card-carrying members of the various political parties or were supported by them. In the NWFP the constituent parts of the conglomerate of parties that formed the government, the *Muttahida Majlis-e-Amal* (MMA) had boycotted the local government elections.

37. The Provincial Assembly and the National Assembly have revived the MPA, MNA Senator Programme where each is Member is allocated a fixed amount annually to be spent on infrastructure and social services. To ensure that there was no duplication of effort, it was decided by the Federal Government that these schemes should be implemented through the Local Governments. In the NWFP an administrative order was issued requiring the *Nazim*, through his councillors, to sign off on all contractors' bills after verification and satisfaction of quality. This would also include bills for schemes financed through the MNA, MPA, Senator Programme funds.

38. There are some tensions between the provincial and local governments. Grants are often delayed, local government funds are withheld, officers are frequently transferred and permission delayed. There has even been talk of revoking the Local Government Ordinance, 2001. However, following the settlement of the political dispute over the

constitutional amendments introduced by the military government, the Local Governments have been guaranteed constitutional protection for the next six years, that is over two full terms and a third election.

39. There is now a proposal for the direct election of the District *Nazim* and *Naib Nazim* through adult franchise. Following this proposal, the District *Nazim* and *Naib Nazim* would be elected on a district-wide basis, whereas the MPA and MNA would be elected from only a part of the district. The District *Nazims* and *Naib Nazims* would be more powerful positions should this proposal be implemented.

1.3   UNDP Support for Institutional Reforms

40. The country programme of UNDP Pakistan and the Strategic Results have considerable focus under the governance thematic area focus, on institutional reforms specifically, and on women and governance.

Country Cooperation Framework 1998-2003

41. The main thematic areas of the Country Co-operation Framework are Governance, Gender and Sustainable Livelihoods. The overarching goal of the governance programme is the creation *of an enabling environment within which the people of Pakistan can influence the direction and conduct of their governing institutions. The UNDP programme will seek to strengthen Pakistan's capacity in areas such as democratic processes, policy development, development management, strengthening of civil society, and public-private linkages. In all areas, special emphasis will be placed on provincial and local processes and on community empowerment.*

42. The strategy for implementation is that UNDP will assist in the development of such a programme for the revitalization of the principal institutions of governance. At the federal level, the programme will include *strengthening of the Institutional Reforms Group, which was established in 1995 and further strengthened during the interim government. At the provincial level, it is anticipated that each government will establish its own Institutional Reforms Group, following the lead of the North West Frontier Government, which has already done so.*

43. As part of the gender goal, the objective was to *advance the cause of women and therefore adopt the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). UNDP will assist the process of preparing a national programme for the implementation of CEDAW while developing specific interventions intended to make an identifiable difference to the lives of women - particularly poor women - in Pakistan.* One of the expected outcomes is *increased number of NGOs*

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working on the political participation of women and increased participation of women in politics and government, at the local and federal levels.

UNDP Strategic Results Framework

44. The Strategic Results Framework (SRF) for Pakistan 2000-2003 comprises of five categories, namely, governance, poverty, environment, gender and UNDP Support to UN. It has been designed to capture the strategic results derived from all the projects / programs of the current Country Cooperation Framework (CCF 1998-2003) for Pakistan (see above). Governance has been identified as a critical element in enabling Pakistan to achieve its sustainable development and poverty alleviation objectives. The UNDP governance programme included strategic support for the design of governance reforms; capacity building of key governing institutions including civil society organizations; and enabling implementation of governance reforms at the national and sub-national levels.

45. The main outcome under the Governance component is *effective legal and policy framework for decentralized authority and management* – under which one of the outputs is *institutional capacity-building provided in NWFP to implement Devolution Plan.*

46. Pakistan's National Plan of Action (NPA) shapes the content of the Gender Programme for the Advancement of Women, resulting from the 1995 Beijing Platform for Action. The SRF of the Gender Programme focuses on capacity building, advocacy and awareness-raising to take the NPA forward. Mobilizing broad based support and creating partnerships are important elements of the programme based on the conviction that gender is multi-dimensional and should be dealt with by a range of government and civil society partners. Because of its proximity to government and to donors, the gender programme functions as a catalyst for coherent donor support and as the creator of partnerships between government and civil society. The main outcome on gender is to have *national machinery in place for policy and strategy formulation on the advancement of women and gender equality* - one of the outputs is *legislative capacity development programme for women MNAs* and *MPAs.*

1.4   *The Essential Institutional Reforms Operationalisation Programme*

47. The EIROP project document was signed on 27 February 2001 – half-way into the implementation of the CCF – with a total duration of 3 years. The purpose of the programme is to assist the Government of NWFP (GoNWFP) in undertaking institutional reforms in essential areas. The specific (immediate) objectives of the project are (1) facilitate the design and implementation of the decentralisation framework at the provincial and district level; (2) build capacity at the provincial and district level; and (3), enhance quality and transparency of decision making by improved information collection and management (see further details and analysis of performance vis-à-vis outcomes and outputs in the chapter on achievement of results).

48. The project is implemented by UNDP in accordance with the National Execution (NEX) agreement between the Government of Pakistan and UNDP. The executing agency is the Planning, Environment and Development Department of the GoNWFP (PE&DD). For overall direction, approval of the annual work plan and coordination with the Provincial Government, a Project Review Board (PRB) has been set up chaired by the Additional Chief Secretary and with the Secretary Local Government & Rural Development Department (LGRDD), the Secretary Finance Department, and the contributing Donors as members,. The Board is expected to meet every six months and has met six times since its was established. For approving the outsourcing and training components, a Project Steering Committee headed by Secretary PE&DD has been constituted. The other members are nominees of the Finance and LGRD Departments, the contributing donors and the Project Manager.

2.   Summary of Status for Project Implementation

49. Following the signing of the project document in February 2001, the majority of staff were recruited and commenced their assignment in June/July 2001 (see annex 7 for details). Work with the Provincial Transition Wing was initiated in July 2001 and the legal drafting was commenced in September 2001 (see details on status for activities, outputs and outcomes in chapter four).

50. The total budget for implementing Phase I of the EIROP is USD 4,359,116. The GoNWFP's share amounts to the equivalent of US$ 0.71 million (14 percent of the total) in kind. The remainder is being financed by UNDP; of which is USD 2.9 million is financed via a cost-sharing agreement with SDC. Through 31 December 2003, the actual total delivery against the budget has been as follows:

Table 1 - Actual Project Delivery against Project Budget

Year	Annual Budget (USD)	Annual Expenditures (USD)	Delivery Rate (%)
2001	1,414,774	343,898	24.3
2002	1,374,957	435,264	31.7
2003	1,417,809	818,288	57.7
Act. Exp. vs. Total Budget	4,359,116	1,597,450	36.6

Source: Annual Project Reports 2001-3.
Note: total budget has not been allocated as annual budget.

3.   Project Design and Relevance

51. The purpose of this chapter is to present the findings of the evaluation in terms of design of the programme intervention in the first phase of the EIROP and the scope/relevance in order to highlight lessons learned relevant to the next phase. The question of design as well as performance in evaluation will be subject to further analysis

in subsequent chapter, notably with respect to programme results and management structure.

52. The programme document is testimony to a very detailed analysis of the Government policy for devolution and the strategies identified have been carefully shaped to respond to the challenges identified. The Local Government Plan (2000) was announced during the formulation of the programme and a successful refinement has been carried out. Hence, the project remains highly relevant to the priorities and needs of the NWFP and the redrafting of the programme document following the announcement of the Local Government Plan contributed significantly to this. Also, the project continues to be relevant to UNDP's core mandate with decentralisation and local governance being one of the 30 corporate Service Lines.

53. The partnership between SDC and UNDP and, hence, the establishment of one single programme with a substantial resource base, has further reinforced the role of the programme vis-à-vis the Government's need for support related to the devolution process.

54. Whereas the programme design is strong in terms of coherence between policy objectives, focal problems identified and strategies outlined, the project document shows some inconsistencies in terms of translating the strategies into outcomes (immediate objectives) and outputs and, hence, to concrete programme support. Whereas some of the focal problems identified are reflected in specific outputs (e.g. clarification of roles and responsibilities, advice on fiscal transfer mechanisms, advice on civil service reform, and study on revenue potential), many aspects of programme support directly responding to the three groups of major problems identified (i.e. 'lack of transparency, accountability and use of appropriate information'; 'ineffective public sector service provision and weak regulatory capacity of state'; and 'centralisation and non-participation') have not been operationalised in a very concrete manner. A number of key areas are thus left as a menu of what could be supported with studies or training (e.g. planning, budgeting, accounting, management, and sensitisation in gender and governance).

55. One major area where linkages between strategies and project results are weak in the project document relates to pro-poor services. Considering the prominence of improvement in pro-poor service delivery as the rationale for the project, the concrete measures aimed at improving participatory planning, financing and management (including the development of accountability mechanisms) of services devolved to the different tiers of local government are very limited in the design. A number of elements can be considered sub-sets of this shortcoming in the design; the support for enhancing participation and for establishing civil society-local government partnership, which is one of the five major strategies for support to decentralisation identified with the project document[2], has not been translated into any concrete targets for supporting the development of the provincial framework for participatory planning and facilitation of the interaction between citizens/community groups and local governments. Also, the

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[2] See section 2.2.2. Six strategies are listed but it is subsequently stated that the third will be omitted from the design.

linkages between support for fiscal decentralisation (which was identified with the project document) and budgeting/planning is not very well developed. The flexibility allowed with the programme document is a strength in terms of adjusting to a rapidly changing context but as a direct consequence of the lack of concrete targets, many of these area have received very limited or no support with participatory planning being the most striking example.

56. Further to the above, the project is to a very large extent designed as a vehicle to support the capacity development of local *governments* rather than to develop the capacity for local *governance*. In other words, the scope of the project has primarily been training of local government rather than a support for the processes underpinning the relationship between the local governments and citizens, and support for citizens and civil society organisations to demand responsive services and hold their elected leaders and the local administration accountable. This is the result of the following primary factors:

57. Immediate Objective 3 is 'to enhance quality and transparency of decision-making through improved information collection and sharing at provincial and district level under the new decentralised set-ups'. The four outputs focus on (i) strengthening accountability mechanisms, (ii) putting a Government of NWFP Internet site online, (iii) that DCIS will have been in place in all the districts of NWFP by the end of the project, and (iv) strengthening the Bureau of Statistics and networking it with DCICs and provincial level line departments through a wide area network. The main problem is that the outputs do not really address the core of the outcome change intended. All of the outputs will contribute to positive institutional change in a number of important areas but it can be argued that they do not represent the outputs most likely to contribute to the intended immediate objective. In the design of the programme, no specific support was envisaged for the implementation of concrete measures that would contribute to actual changes in transparency and accountability. The LGO 2001 has a number of very clear provisions related to access to information and accountability and a pilot operationalisation of these measures would be a crucial entry point for the next phase of the programme. Put differently, there are two major assumptions related to this immediate objective; firstly that 'by giving the responsibility of analysis and impact assessment to BoS, policy planning will become more rational and informed' and that 'the mandate of DCICs to disseminate information on decision-making processes to stakeholders will result in making the system transparent which will lead to better accountability' (quoted from section 2.2.4). However, comparative experiences suggest that these causal linkages can exactly not be taken for given and concrete programme support to establish them.

58. Since the project was formulated simultaneously with the creation of the local elected governments, involving the main beneficiary in the design was not feasible for formulation of the project. A strategy for subsequent participation has not been identified with the project document or at subsequent stages. The result has been an almost complete lack of ownership of, in particular, the project's major invention for capacity development on the side of the elected representatives and administrators at all level of local government, i.e. the main intended beneficiary. The HRD unit does involve selected

local governments when preparing the annual work plan but the team found that the support provided does not correspond well to the needs felt by the local governments.

59. The project has demonstrated a clearer strategy for ownership within the provincial government and a high degree of flexibility allowing changes in project implementation based on changes in the external environment and the need expressed by the Government. However, the combined result of the lack of concrete outcome target, the project organisation (see further below on these two points) and the flexibility has been that the project tends to be reactive rather than proactive, and that too many activities are initiated but there is limited follow up.

60. Seen from a perspective of Results-Based Management, the design of the programme and the formulation of activities, outputs and immediately objectives have some limitations as mentioned above. In addition some outputs are very broad and rather at the level of immediate objectives (e.g. 'accountability mechanisms will have been strengthened') and some are over-ambitious to the extent of being unrealistic (e.g. DCICs being completed in all districts). The main shortcoming, however, is the lack of good (Specific, Measurable, Attainable, Relevant and Trackable (SMART)) indicators to track change at the outcome level. A total of nine 'success indicators' have been included in the programme document but three are rather output indicators and a number of the remaining cannot be used for tracking progress (see further in the section on management). The combined result of the very broadly formulated outcomes/outputs and the lack of clear targets at the outcome level is to a very large extent has been left to the programme implementation to prioritise among the tasks and the programme management has been under pressure to initiate all the scheduled activities rather that follow up to the successful pilots.

61. UNDP distinguishes between three levels of capacity development[3]: individual, institutional and societal (www.undp.org/capacity). Whereas the support provided for implementation of the framework for decentralisation (Immediate Objective 1) has contributed to the development of the institutional capacity, the design of the project has in terms of capacity development (Immediate Objective 2) primarily focussed on individual capacity. The global experience of UNDP with respect to capacity development for local governance would indicate that this alone will not lead to sustainable changes, and the next phase should consider incorporating in the design a delivery strategy allowing the programme to reach out to the individual local governments with ongoing technical assistance (see further below).

62. At the end of the Preparatory Assistance Phase, it was decided to cover all districts rather than only two (Bannu and Abbottabad). The justifications given are that 'it was realised that a positive change in governance can only be brought through policy reforms at the provincial level' and the need for EIROP to provide the 'badly needed support for implementation of decentralisation reform in all the districts' (quoted from section 1.3.4). The evaluation team support this decision but it would have been useful to identify a

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[3] The concept of capacity *development* rather than capacity *building* is applied by the evaluation team in order to emphasize the process of transformation based on existing local capacity.

small segment of Unions and Districts in which extensive support could be provide to institutionalise local governance in accordance with the LGO (2001) and in which new innovations could be piloted.

63. The project has not been designed with an explicit analysis of the different needs for support in urban and rural governments, respectively. However, given the focus on administration and basic functions rather than management of services and more specialized functions, the team did not find that this has been a major reason for the shortcomings seen but it would be an issue for consideration in the next phase.

4. Achievement of Intended Results of the Project (Outcomes and Outputs)

4.1 Introduction and Summary of Performance

64. A comprehensive set of outcome indicators has not been developed with the design of the project. As mentioned in the section on design, out of the nine 'success indicators', three are output indicators and a number of the remaining cannot be used for tracking progress (see further below). Hence, the team has made an assessment of progress vis-à-vis the success criteria but subsequently made a more comprehensive analysis of outcome change.

65. The period of implementation has only been three years, which is very limited time to achieve institutional change. Taking this into consideration, the activities/outputs and expected contribution to outcome change in the programme design are very ambitious (see the above chapter on programme design). This should be kept in mind when reading the conclusions on achievements against expected outputs/outcomes and this has been taken into consideration by the team.

66. Detailed analysis of the achievements with respect to contributing to each of the intended immediate objectives and achievement of the outputs follow in subsequent sections. The summary of performance with respect to the three immediate objectives (ratings – see UNDP Handbook on Monitoring and Evaluation for Details) is as follows:

Table 2 - Summary of Performance: Contribution to Immediate Objectives (Ratings)

Immediate objective 1:	Performance – Immediate Objective 1
To facilitate the design and implementation of the decentralisation framework at the provincial and district level	▪ *Positive Change* ('Implementation' of Decentralisation Framework) ▪ *Unchanged/Limited Change* ('Design' of the Decentralisation Framework
Immediate objective 2:	Performance – Immediate Objective 2
To strengthen the new roles and responsibilities to be performed in the	▪ *Positive Change* (individual capacity of civil servants and Nazims/Naib Nazims)

province and districts as a result of decentralisation through human and institutional capacity building.	▪ *Unchanged/Limited Change* (individual capacity of remaining groups and organizational capacity)
Immediate objective 3: To enhance quality and transparency of decision making through improved information collection and sharing at provincial and district level under the new decentralised set-ups	Performance – Immediate Objective 3 ▪ *Unchanged/Limited Change* (transparency in local governance) ▪ *Unchanged/Limited Change* (improved decision-making resulting from improved information) ▪ *Positive Change* (sharing of information between provincial and district level)

4.2   Immediate Objective 1

<u>Immediate Objective 1: to facilitate the design and implementation of the decentralisation framework at the provincial and district level</u>

67. The three success criteria identified with the project document are: a) number of issues addressed in the implementation of decentralisation reform, b) number of rules amended to clarify the roles of different tiers of government, and c) the announcement of Provincial Financial Award duly approved by the Provincial Finance Commission. In the view of the team, the first indicator is not clear in meaning and not Specific, Measurable, Attainable, Relevant and Trackable (SMART) and, as such, cannot be used for evaluating progress. Against the second success indicator, the project has made significant achievements. Whereas, the focus has not been specifically on clarifying the roles and responsibilities, 17 rules were amended with EIROP being credited for providing significant support for drafting. Measuring progress against the third indicator is slightly more difficult. The Provincial Finance Commission was established and it approved the 2002 Finance Award to the local governments, though using the interim formula only. However, apart from facilitation of one workshop with local government stakeholders, the support for fiscal devolution was not provided.

68. Taking a broader view at the intended outcome, the team has found that the project has contributed to the implementation of the LGO. The support for the Provincial Decentralisation Task Force was pivotal in this institution's role in the initial phase, and it has largely been successful in assisting the provincial government to obtain a high degree of understanding of the Local Government Ordinance and the roles and responsibilities across the tiers of local government. Also, the main body of rules, regulations and guidelines is available in Urdu language. Whereas a concern about the lack of simplicity exists, most elected representatives and their administrations at district, tehsil and union level confirmed that the framework is in place and available in Urdu and English.

69. Whereas the immediate objective focuses on *design* and *implementation*, the project outcome related to design has been insignificant. At provincial level, the project has not provided any significant upstream support (see further below). Early in the implementation phase, the technical advisor attached to the programme noted that the programme 'has been mainly reactive, not proactive' and that 'it is of utmost importance that EIROP is not limited to the role of simple financing mechanism but is starting to develop its own visions and to take the lead in key areas' (Kaelin, Report on Mission 31 December – 5 January 2002). With respect to the development of the framework for decentralization at the provincial level, the programme has, however, to a very large extent remained a financing mechanism and only to a limited extent performed an advisory role vis-à-vis the provincial and district governments. The impact on national policy has also been very limited and the lessons learned under EIROP have only to a very limited extent found their way back to central government, notably to NRB.

70. The development of the software for budgeting and the network between provincial and district level represents the one area where the project has contributed towards design. This task has been completed and the software has been implemented with resulting simplified budgeting procedures. Out of the three District Councils visited, two are using the software.

71. The team noted that one major element of designing and implementing a framework for devolution, the continuous process of identifying overlapping mandates and revising local government and sectoral legislation, has not been initiated or supported by the project.

72. With respect to the completion of the individual outputs intended to contribute to immediate objective 1, the project has produced the results identified in the programme document. The major exception is output 1.3, the support for the Provincial Finance Commission, which was limited to a single workshop rather than the technical assistance foreseen to develop the fiscal transfer mechanism.

73. The project has provided assistance to the Provincial Decentralisation Task Force through the development of a database on the inventory of assets available for transfer to the local governments. This was achieved through the provision of the services of personnel needed to develop the database software (a programmer and four operators) and the hardware (four networked computers and printers, and a scanner) required to transfer and house the data provided by the district officials. This is now available to the Finance Department, which can use this subsequently for verifying the need any additions requested for by any one of the local governments in the Province.

74. In assisting the government in implementing the decentralisation framework, EIROP provided assistance in to the Law Department to computerise its record of legal opinions (dating from 1950) given to the Provincial Government on issues referred to it, including the drafting of legislation, rules and regulations. The Law Department was also provided assistance in drafting 18 laws and 43 bye-laws. All of this was achieved through the provision of services of one legal expert, four legal drafting persons, a number of

computer operators, and the necessary computing and office equipment needed. In addition EIROP assisted in setting up the Experts Committee (which included the Secretaries of Law, Finance, Establishment and LGE&RD) for scrutinising and approving changes to legislation and subordinate legislation.

This output required the EIROP provided staff to study and analyse the following:

> Acts and Ordinances   36
> Regulations   3
> Agreements   9
> Notifications   22
> Rules   7
> Other legal documents   2

Further, EIROP provided support to draft as many as 15 pieces of subordinate legislation for the implementation of the devolution framework to the LGE&RDD (see table 2).

Table 3 – Subordinate Legislation drafted with support of EIROP

> The NWFP Local Councils Conduct of Business and Conduct of Meetings Model Bye-Laws
> NWFP District Government Rules of Business, 2001
> The NWFP Tehsil Municipal Administration Rules of Business, 2001
> The NWFP Local Government Union Council Administration Rules of Business, 2001
> The NWFP Local Government (Works) Rules of Business, 2001
> The NWFP Local Government (Elections) Rules of Business, 2001
> The NWFP Local Government (Inspection) Rules of Business, 2001
> The NWFP Local Government (Imposition of Taxes) Rules of Business, 2001
> The NWFP Local Government (Conduct of Business) Rules of Business, 2002
> The NWFP Local Government (Contract) Rules of Business, 2001
> The NWFP Local Government (Appeal) Rules of Business, 2001
> The NWFP Local Government (Property) Rules of Business, 2001
> Statutory Notification regarding the Constitution of Town Councils in the single-tehsil districts of the Province
> Federally Administered Tribal Area (FATA) Local Government Regulation, 2002
> Local Government Election Rules in Federally Administered Tribal Areas, 2002

75. The legal team provided to the Law and LGE&RD Departments also compiled the amended version of Local Government Ordinance 2001 (changed through a series of 15 Amendments) and published this as a single volume. 1,000 copies were printed and

distributed. This was also translated into Urdu. All councillors not conversant in English confirmed to the evaluation team that this proved to be a boon to them in understanding the ramifications of the Ordinance and their roles, responsibilities and rights. Some have also expressed the hope that this would be translated into Pushto, the local language.

76. While only some of the subordinate legislation has been accepted and notified, the team finds that the work done in this arena has been of some assistance towards both the design and the implementation of the devolution framework. As the Local Governments gain experience, they will continue to need this assistance.

4.3   Immediate Objective 2

Immediate Objective 2: to strengthen the new roles and responsibilities to be performed in the province and districts as a result of decentralisation through human and institutional capacity building.

77. The contribution of the project towards immediate objective 2 is also only remotely possible against the criteria defined in the project document. Success criteria 1 and 3 are output indicators and, as such, reiterate the list of indicators at this level. Related to the second indicator, the 'increase in the revenue generated by the district', the project has not made any progress against this indicator; a pilot study of the revenue potential in one district (D.I. Khan) is being undertaken. However, the project document does not contain an output devoted to assistance in implementing the findings.

78. The success indicators aside, the findings of the evaluation has been that the project has increased the sustainable capacity to perform new functions at the district level (e.g. the capacity to prepare budgets at the district and union level, and the capacity of the district administration and elected representatives to provide some degree of supervision of the operations of line departments). Also, the awareness of the role of elected representatives has been increased (e.g. with respect to planning decisions being made by the elected representatives and the role of monitoring committees).

79. The knowledge and awareness of the Nazims and Naib Nazims has been increased through training. However, the capacity of the officials to perform their functions in the relationship with the elected representatives has not developed significantly, and the cohesion between officials, Nazim/Naib Nazim, councillors and citizens is still to be developed. Despite the training in participatory planning, the District Planning Officer interviewed for the evaluation saw their role limited to the 'technical' planning together with the department upon completion of plans by the councils, not as facilitating or supporting the participatory planning process. In addition, it would appear that the level of skills available decline not only with the tiers of government but also within the hierarchy of each organisation.

80. There were a total of 5 outputs contemplated for contributing to this immediate objective spanning both the Research Wing and Training Wing. As part of output one 11

training programmes have been delivered, one is in progress, and 5 studies completed with one in progress. As the detailed analysis of completion of training contained in annex 4 to this report shows, the training programmes have addressed a limited number of the 11 areas identified in annex VI of the project document. The so-called 'composite training' planned to address most of these topics systematically with coverage of all districts has been delayed considerably but was initiated at the time of the evaluation. As noted in the introduction to this chapter, the number and scale of activities scheduled for implementation were very ambitious, and the project management has been under considerable pressure to plan the training. More important has been the limited capacity to go beyond the NRB training modules. As noted by the technical advisor attached to the programme, 'EIROP should provide follow-up training where needed because the training activities initiated by NRB prove to be insufficient' (Kaelin, Report of Mission 31 December 2001 – 5 January 2002). It was found, however, that throughout the period of project implementation, the project continued to rely primarily on NRB modules.

81. The training programmes have focussed on the Nazim, Naib-Nazim and senior officials of local governments (see annex 3 providing detailed analysis of the outreach), and a complaint was voiced by the councillors that they had not been provided any training. Most of the trainees interviewed stated that while these programmes provided exposure, they were not designed to improve their skills and abilities. They felt that the training should be more focussed, of longer duration and delivered at the grass-roots level in a more participatory manner. There are limited indications that the institutional development specialist and the programme management have changed direction based on this repeated feedback.

82. In the research arena (output 2-4) until the end of 31 December 2003 (when it was essentially wound up), the Research Wing has been instrumental in having six studies completed (one study one untapped resource potential in each of the 24 districts is in progress). These studies have in many cases provided the provincial and district governments with useful overviews in a number of areas relevant for the decentralisation process. The policy impact of the studies has been limited due to a number of factors. The studies do not appear to be an integrated part of a continuous dialogue between the programme on policy options, and there has been very limited follow-up on the recommendations and further policy support. Technical assistance was for example foreseen in the area of civil services reforms (output 2) and a study was done on 'Services Related Issues in Local Government System (September 2003)' but all the remaining activities contextualising the study in the ongoing policy process were not implemented. Also, whereas the study is of good quality and suggests a number of concrete steps to establish a local civil service, it does not represent the advice that UNDP could provide based on the significant corporate experience in this area and network with international experts. Also, a number of studies have been conducted on local government revenue mobilisation (e.g. study 'To assess the Potential of Agriculture Income Tax and Land Tax in the Province' and 'Study to Identify Untapped Potential Resources of LGs in pilot districts) but is not part of advice to the government on the process of further defining expenditure responsibilities, identifying financing gaps and developing the framework for revenue sharing. Rather, they appear to be ad hoc responses to requests from individual

units in the provincial government. Some of the studies would also not appear to be directly relevant to the immediate objectives of EIROP even if useful in their own right (such as the 'Initiating Memorandum NWFP (Pakistan): Programmatic Structural Adjustment Credit'). The Research Wing has relied on the line departments for whom the studies have been undertaken to comment on and accept the studies. It has not undertaken its own evaluation.

83. The compartmentalisation of the Research and Training functions in two parallel wings has resulted in a lack of cooperation between the two wings, thereby losing the synergy which could have resulted in converting the results of the studies into training modules. Also, the absence of specialists in functional areas of decentralized governance has inhibited the policy dialogue between the project and the provincial/district governments.

84. As mentioned in the chapter on project design, limited focus has been put on the issues of participation, responsiveness and accountability in the programme and, in particular, concrete outputs to contribute to institutional change in these areas. The programme is explicitly designed to deal with the problems of 'lack of transparency, accountability and use appropriate information', 'ineffective public sector service provision and weak regulatory capacity of the state' and 'centralisation and non-participation' (project document, section 1.1) with strategies reflecting these focal problems (op. cit., section 2.2). However, the project document only to a limited extent translates these strategies into concrete outputs with clear indicators, and a set of outcome indicators to track the resulting institutional change. In most cases, the project document lists a number of functional areas as a menu for training. During implementation, a number of activities concentrating on democratic local governance and the training of Nazims, Naib Nazims and councillors included in the programme document have been postponed or cancelled. Also, whereas some involvement of NGOs in local governance has been attempted by EIROP, the support for involvement of civil society in local governance has largely been equated with support for registering and developing Citizen Community Boards (CCBs) to manage selected services[4].

85. In addition, a large share of capacity development support has been received by the Departments of the Provincial government and the District/Tehsil Administrations rather to the elected representatives and in many cases not for new tasks resulting from the devolution process (see annex 4 and further analysis in the chapter on achievement of results). As such, the project has to some extent provided support for capacity development related to functions that are a continuation of the system supporting deconcentration.

86. As mentioned in the chapter on project design, EIROP has primarily concentrated on classroom training rather than also on the wider capacity development of the institutions of local governance. One of the major frustrations expressed by the elected councillors, including almost all female councillors, was that the training had enhanced their

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[4] According to decisions made by the Provincial Finance Committee, 25 percent of the development budget is earmarked for CCBs.

awareness about their rights and duties as elected representatives but on return to the office they were unable to assert their rights. As outlined further in the detailed evaluation of the achievements under immediate objective 1, there has been an absence of support to 'make things work' (examples of this are the process of participatory planning and decision-making, revenue mobilisation, and ensuring transparency). The scope of capacity development is closely related to the delivery strategy for capacity development support and the team noted the focus on class-room training and absence of continuous specialized advice/training and a set-up which can reach out to the large number of elected representative and citizens at district, tehsil and union level. This need was confirmed in the focus group discussion with stakeholders.

4.4 *Immediate Objective 3*

Immediate Objective 3: to enhance quality and transparency of decision making through improved information collection and sharing at provincial and district level under the new decentralised set-ups

87. Of the three success criteria included in the project document two are clearly indicators at output level and only one has some relevance to the immediate objective, viz.: *Notification issued giving mandate to DCICs to collect and disseminate information*. Measured against this indicator, it would appear that this immediate objective has been met only partially; one out of twenty-four DCICs have been established and made operational through a Memorandum of Understanding between the district government and EIROP.

88. As mentioned in the chapter on programme design, in the view of the team, the outputs (as specified with the project and as implemented) are not sufficient to contribute to the intended change, i.e. to enhance the quality and transparency of decision-making. However, against the outputs specified in the programme document, significant progress has been made (see further in the remainder of this section). The main shortcoming is the limited results directly related to output 2.3 'accountability mechanisms will have been strengthened' or any other results that could have made a direct contribution to the aspects of the outcome related to transparency and accountability in local governance. No attempts have been made to address the wider elements of accountability such as piloting mechanisms for transparency stipulated in the LGO and policy advice to NRB and the provincial government related to design and implementation of sound systems for transparency.

89. To date there have been three outputs. Related to the first output, the project has supported the development and implementation of the Financial Management and Budgeting Software at the provincial level and in some of the districts, their linkage through the Wide Area Network and the Web Portal for only the provincial government. As part of the second output, the first of four pilot DCICs have been inaugurated. As mentioned above, limited results pertaining to the third output on strengthening the accountability mechanisms have been achieved.

90. The information of the DCICs were intended to be provided mainly by the line departments. However, several studies and investigations in the past have highlighted the incomplete and inaccurate records[5] of the departments, and information provided by the Union Councils or their physical verification of information is not envisaged.

91. The first assistance provided by EIROP in the process of devolution was the development of an information base for the Provincial Transition Wing on assets and human resources available for transfer to the district governments. This was achieved by providing computers, printers and the services of data entry operators.

92. The development of a web portal is governed by standards prescribed by the e-Project Directorate of the Ministry of Communications and Information Technology. Within these parameters each provincial government and its departments, etc and each district government is free to design the contents of their web portals/pages. The EIROP team is in the process of assisting the Government of NWFP in developing and uploading such a portal. This is being done in two phases. During phase 1 it was expected to complete the development of the web pages for the Finance Department, the Local Government, Elections and Rural Development Department, Planning, Environment and Development Department and for the Establishment Department. At the District level the plans were for developing web pages for four pilot districts, namely, Peshawar, D.I.Khan, Abbottabad and Nowshera. Some marginal progress has been achieved in this respect. The web page for Abbottabad was developed as part of UNICEF's assistance to develop a benchmark against which progress in devolution could be measured and EIROP will be adding to this as part of the effort to establish the first pilot DCIC there. It is expected that the district web portal would provide a link to the DCIC and vice-versa.

93. The development of the web portal for the Government of NWFP was started earlier as part of the nation-wide effort by the Ministry of Communications and Information Technology's efforts in introducing access to government information and data and for improving governance. EIROP's efforts in this respect are an extension of the earlier effort through a contract with Askari Information Systems. With the establishment of the Science, Technology and Information Technology Department within the Government of NWFP, the effort to improve on and expand the web portal gained momentum and EIROP was assigned the task for developing this further.

94. Progress to date, starting in September 2003, has been restricted to the development of meta-standards and guidelines, data management guidelines and the technology requirement plan.

95. The major *de novo* development of a web portal has been that for EIROP itself. This provides information not only about itself and its activities, achievements and past and forthcoming events. The site also provides information and applications for jobs with itself and also invites expressions of interest for studies and training or other assignments.

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[5] The existence of ghost schools, absent teachers, school attendance, the effective availability of medical services and medicines, access to potable water, the conditions of roads, etc.

As a service to government, until such time as the complete web portal has been completed, EIROP's web page also provides access to business opportunity information from the provincial and local governments' departments. The information on a number of aspects is out of date and some considerable effort is required to maintain the web page au courant with development and completion of activities.

96. EIROP has initiated a feasibility study to establish a Wide Area Network that is expected to link together the provincial and local governments.

97. To improve the management of the budget, an electronic Budget Management Software has been developed and installed on a SQL based server which links the Finance Department to all provincial line departments and district governments through a dial-up intranet. Most line departments and districts have been connected and training has been provided to users. During our field visits, however, we were informed that DI Khan district has yet to install the software and establish an ISP connection. During discussions with the EDO (Finance and Planning) and the DO (Finance) at other locations it became apparent to the team that the training was provided only to the computer operators. Senior officials of the finance departments of the district governments showed little or no interest in acquiring the skills needed to operate the system and use this for management purposes. We would strongly urge that these officials be trained on using modern technology to improve their own and their department's efficiency.

98. One other major intervention in improving the quality of and access to data has been in the assistance provided to the Bureau of Statistics, NWFP in improving their data management system. A consultant has been hired and his services provided to the BoS where, after a detailed analysis, it has been decided that only two spheres of activities would be focused on initially. These are the management of the primary data from the census of manufacturing industries and the publication of periodical reports based on the other information and statistics compiled by the BoS. The CMI data entry and retrieval programme has been developed and tested and the training of the staff has been completed. In the publications arena entry forms for 21 of 30 sectors have been developed. Further work on these is pending until DPAs have been appointed. The procedure for their recruitment/appointment has been initiated.

99. EIROP has also provided technical assistance to the Provincial IT Board to establish and make the hardware infrastructure operational. In addition the newly established ST&IT department has been strengthened through the availability of a consultant responsible for developing the province's IT policy and all project preparation documents for new IT related projects. The Consultant has to date been able to complete eight concept papers on a variety of initiatives and the PC-1 form for the strengthening of the ST&IT department itself.

100. After a considerable delay of over 2 years, the first District Community Information Centre was inaugurated in mid-January 2004. The DCIC will be open to the public and will be providing a one-window operation to a number of services and

information to all citizens approaching the Centre for assistance. The DCICs are being established through a MoU between the district government and EIROP. Initially the DCICs will be using the NARIMS (National Reconstruction Information Management System) software developed by the National Reconstruction Bureau and the data will be restricted to such information only. A development statistician is being hired to scrutinise the needs for data to ensure a truly participatory and transparent approach to development and governance. Based on this the data needs would be modified. In addition the DCICs will in the initial stages also be providing access to information on the award and management of tenders for goods and services, a complaint box and access details to all key stakeholders in the district, tehsil and union governments.

101. The delay in starting the DCICs is attributable to a number of factors. These were the need to study the impact of the DCICs established by the UNICEF in some of the districts during the pilot phase of the Multiple Indicators Cluster Survey which is planned to act as the benchmark for monitoring the progress of devolution, the need to identify the data base requirements for the DCICs and the justification for using an alternative information management system to the one developed by the NRB (NARIMS). Negotiations with NRB were protracted and it is only within the last few weeks that an agreement has been arrived at which permits EIROP to use the NARIMS software free of cost.

5.   Project Strategies

102. The project document outlines five strategies of which four are to be evaluated according to the TOR (strategy for poverty alleviation not being included). The first, 'strategy for support to decentralisation' is evaluated under the headings of programme design and achievement of results, strategy for 'uplift of women' and is included in this section, whereas the strategy towards ensuring transparency and use of information and strategy for sustainability are dealt with in the context of immediate objective three and all of the objectives, respectively.

103. A separate strategy has been defined for 'uplift of women' consisting of three elements. As a first element according to the project document, policy research was to be conducted on ways to achieve equality of rights and opportunities for women. No studies were undertaken according to list provided by the project.

104. The second element of the strategy consists of a 'special sensitisation component on gender and governance included in every training programme'. In the twelve TOR reviewed for the purpose of the evaluation, one included an explicit requirement for a special sensitisation component.

105. As a third component, special attention is to be paid to ensure that priority when selecting trainees for training programmes is given to women and it is stipulated that, in accordance with their intended representation as per the LGO, one third of trainees from Union Councils should be women. Annex 3 provides a detailed analysis of women's

participation in the training courses conducted by EIROP. Other than the specific training for women councillors, one training has fulfilled the 33 percent target (67% participation in the Workshop on Capacity Building for CCBs). In the remaining workshops for which data on participants is available in the reports, women's percentage participation has been: 0 (4 training events), 1, 2, 9, 10, 13, 17 and 21, respectively (see annex 3). Whereas, the implementation of the strategy can be characterized as uneven and has in most cases not complied with the further target for elected union representatives, the data reflects a considerate effort on the side of the government and programme to include women in training. In a context where the positions for which training were conducted are mainly held by men (e.g. DCO, EDO, TMO and DPO) and the 33 percent reservation has not been uniformly complied with, the programme has done comparatively well in terms of including women. In the cases where there are actually women to train, they have to a large extent been included; see for example the data on councillors compared with staff in the administrations (annex 3). Hence, affirmative action has been implemented through specific training courses for women councillors, and with the capacity developed the project has made a contribution to changing the pattern of existing gender inequalities.

6.   Partnerships

106.   Development of partnerships constitutes an integral part of UNDP's strategy – in particular partnerships with agencies contributing to the same intended institutional change (outcomes). Considering the inherent difficulties in inter-agency coordination, EIROP has successfully established a mechanism for coordination of support for local governance in NWFP. At the joint initiative of EIROP, a Capacity Building Advisory Board (CBAB) was established in January 2003, and EIROP provides an institutional development specialist as secretariat for the board. The provincial government chairs the board with an executive board providing overall guidance. A recent decision was made to include representatives of the local government and indicates a (very late) step towards a realisation of the need for their ownership. The Provincial government has allocated five million rupees for the operation of the CBAB in the fiscal year 2003/4. Whereas the pilot board has been successfully initiated, it was also noted that a number of partners complained about self-centred approaches by the UNDP project, lack of coordination and considerable delay. Only very few meeting have been conducted and the board would still have to prove its capacity and usefulness.

107.   In addition to the CBAB, a number of synergies have been explored for the implementation of the programme at the provincial and district level. The ADB funded Decentralisation Support Programme that contributes to a number of the same outcomes as the EIROP has recently been launched in NWFP (see annex 6 for a summary outline of the DSP). There are indications that attempts are made to establish a framework for coordination at the district level.

108.   An effort has been made to link EIROP with other UNDP initiatives, particularly the W3P but more synergies could be established. In the context of gender sensitisation,

the project referred to UNDP instructions being followed that W3P is responsible for this particular aspect. The team feels that there is a need for a closer liaison to identify roles and responsibilities in order to ensure that gender is mainstreamed in the activities of EIROP.

7.   Implementation and Programme Management Arrangements

109.   The turnover of staff at the senior management level has been high. EIROP has had three NPDs and four NPMs (of whom one was in an acting capacity for one month) since inception (see annex 7 for details on staff recruitment and succession). Once consequence of the high turnover has been a change of focus and direction on each occasion (e.g. some activities proposed during the incumbency of one have been dropped or kept in abeyance by the successor).

110.   Despite the shortcomings related to the rapid turnover, it appears that each of the NPDs have taken up a role conducive to this function under the agreement of national execution (NEX) between the Government and UNDP. The NPDs have been very active and (with the limitations mentioned in the chapter on results) directed the programme activities to support the development and implementation of the decentralisation policy as seen from the perspective of their ministry and as professionals.

111.   Like the NPDs, each of the NPMs have in their limited periods in charge shown their capacity to steer the project together with the NPD. Whereas each incumbent have performed well within the framework provided, the function has to a large extent been one of a deputy to the NPD. The project has not seen the very productive interplay sometimes developed under UNDP national execution between the NPD (often not full-time devoted to a project) steering the direction of the project based on government policy/challenges and the NPM as both implementer and a counterpart for technical matters. Whether the NPM should be a government appointed position or filled via external competitive recruitment is related question with no clear-cut answer. In the case of Pakistan, the civil service boosts a large number of individuals with high capacity and the right mix of skills. However, as in the case of EIROP, the NPM would not have the function of being a counterpart and advisor to the government bringing in external knowledge.

112.   Effective 31 December 2003 the Research Wing has ceased to exist owing the non-renewal of staff contracts. The relevance of the qualifications and experience of the staff has been a matter of concern since its inception. The Finance Minister at the time has stated that *The ACS [Additional Chief Secretary] has also violated my explicit orders issued to him on 20-6-001, by not communicating them to the UNDP to withhold recruitment. This has resulted in the recruitment of the staff, which is: a) not required at this stage; and b) as per Governor's instruction and in my view does not have the requisite qualifications (in most cases) and is therefore likely to be redundant from the*

start[6]. In the view of the evaluation team, both the Training Wing and the Research Wing could have performed better if instead of the current hierarch of staffing they would have had access to specialists who could have advised on developing ToRs and Training Modules is such fields as budgeting, participatory planning, expenditure management, fiscal decentralisation, resource generation, revenue collection.

113.   In the view of the team, one important reason for the low delivery by the project has been the approval mechanisms in place for procurement (including of services). The chain of approval is extended over several tiers. Within the project management itself it starts from the technical wings to the PM and to the NPD who recommends this to the PRB and then forwards this to the UNDP (in accordance with the project document). This has resulted in substantial delays in both procurement of goods and services and in recruiting staff. For instance, the terms of reference for each training module and research study are approved by the PRB (which meets every six months) and then sent to the UNDP for approval. ToRs in the form of RFPs are then advertised following UNDP approval, and responses are scrutinised, a short-list is prepared and a recommendation for selection made. These are then approved by the PRB and are once again sent to the UNDP where they are approved by the country office, and in some instances by the headquarters. The NEX agreement between government and UNDP allows for a much faster procedure (authorizing the NPD/NPM to procure based on three quotations up to a certain limit and to procure after a committee meeting above this limit with tenders only for large procurement). Hence, the project-introduced procedures, not the UNDP NEX guidelines, are at the core of the delays witnessed in the EIROP.

114.   A technical advisor identified by SDC has been attached to the programme and has conducted biannual support missions. These missions appear to have been helpful for the programme team in terms of deciding on the phasing of activities and, to a certain extent, to priorities among them. Also, in a number of areas, the advisor has provided guidance on substantive matters. By embodying technical advice in one external advisor, the comparative advantage of UNDP as a partner for supporting decentralisation and local governance gained through work in more than 90 countries has only been utilised to a very limited extent. The work undertaken by the project remains largely uninformed by the corporate experience of UNDP, and the project staff is not integrated in the global knowledge network of UNDP. Also, it appears that some areas have received limited technical support, notably the areas of participatory planning and fiscal decentralisation, and that more advice would have been needed on capacity development/delivery strategies with all of the support rooted in concrete experiences with programme management and methodologies for supporting policy change.

115.   Prior to the major political changes from 2001, the PE&D Department would traditionally be the implementing agency for a project with the multi-dimensional focus and mandate of EIROP. However, as a consequence of the changes that have occurred since 2001 and the continuing changes that are and will be taking place over the next few years during which the teething problems of devolution and the concomitant staffing

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[6] Finance Minister's comments in a memo to the Governor titled : Complaint against recruitment criteria appeared in the press on June 9, 2001

issues are sorted out the question that should be answered is whether PE&DD should continuously be the executing agency of the EIROP. Despite the committees involving other departments, it appears that the ownership of the project has to some extent remained within the executing agency.

116.   Procurement of services has been according to the PCOM guidelines and also according to the GoNWFP regulations. The RFPs were advertised locally and not nationally. Whereas this ensured specific knowledge on the context of implementation, the selection of consultants and service providers was not necessarily as wide as one would have hoped for. Moreover, in a number of instances, selection has been from ex-government employees, particularly from the PE&D and Finance Departments. Hence, there are indications that all possible steps have not been taken to improve cost-efficiency in procurement of services.

8.   Monitoring and Evaluation

117.   The performance of the project is monitored by a two-tier structure comprising of an annual Quadri-Partite Review (QPR) and a bi-annual review through the Project Review Board (PRB). The QPR comprises of the Economic Affairs Division, the UNDP, the SDC and the Planning Environment and Development Department, which meets annually in Islamabad. The mandate of the QPR is to evaluate the performance of the project and to approve any activity not contained in the project document. The QPR has met twice since the start of the project. For overall direction, approval of the annual work plan and coordination with the Provincial Government a Project Review Board (PRB), chaired by the Additional Chief Secretary (ACS), with the Secretary Local Government, Elections & Rural Development Department (LGERDD), the Secretary Finance Department, and the contributing Donors as members, has been set up. Representatives of district governments and civil society organisations are also members. The Board is expected to meet every six months and has met six times since its establishment. Attendance at these meetings by identified officials has been through their subordinate staff, thereby diluting the effectiveness of these meetings.

118.   A function supporting monitoring was not established in the project and the project has suffered substantially from the absence of systematic monitoring of achievement of outputs, tracking of contributions to the immediate objectives and monitoring of the quality of project services/feedback received. A position as monitoring officer was established in 2003 and significant improvements have been seen primarily in terms of tracking implementation of activities and achievement of outputs. A workshop was conducted in November 2003, which was useful in terms of follow-up on progress and defining output indicators.

119.   For recommending the outsourcing and training components a Project Steering Committee (PSC) had been visualised. The Secretary PEDD would head this. The other members were nominees of the Finance and LGERD Departments, the contributing donors and the Project Manager. The mandate of the PSC was designed to: discuss

changes in the training programme; approve those within the scope of the project document; recommend those training programmes which are outside the scope; in case of savings in the project document, identify additional training programmes; recommend the selection of sub-contractors for training and the hiring of short-term consultants for different studies. It was decided by the project management not to establish the PSC as its composition was seen to be similar to that of the PRB, even though their functions were separate. The team agrees with the project management's decision in this regard.

120.   The two audits conducted for the years 2001 and 2002 have noted a number of irregularities of which several are outlined as major in character by the auditors (see annex 5 for a summary of audit findings).

9.   Conclusions and Summary of Recommendations

9.1   Conclusions

121.   Following the signing the project document in February 2001, the programme has made considerable progress vis-à-vis the intended results and continued to be highly relevant to the decentralisation policy of the central and provincial governments. The low financial delivery (36.6 percent) should be seen in the context of the very ambitious set of activities/outputs of the programme but is also the result of delays and cancellations, including delays that are the direct result of cumbersome procedures for approval of procurement of goods and services.

122.   The programme was designed with some weaknesses in terms of translating the focal problems and strategies identified into programme results and with respect to the formulation of result and indicators. The vast scope and good indicators concretising targets at the immediate objective level are likely to be factors contributing to an important weakness observed; the programme management tends to initiate activities but be less concerned about being a partner in the process of policy change and about follow up. Also, the weaknesses in the design with respect to results-based management combined with the absence until recently of a monitoring officer has led to weaknesses in following up to achievement of outputs and contributions to institutional change.

123.   The programme has been very successful in terms of operationalising the framework for decentralisation developed by NRB but the feedback on lessons from the pilot testing does not appear to have a major impact on policy development in NRB. The studies conducted by EIROP have provided input to policy development but the overall policy impact across levels of central and local government has been limited. This, however, should be seen in the context of the very short period of implementation. The support for the Provincial Decentralisation Task Force was pivotal for this institution in the initial phase. Also, the project has largely been successful in assisting the provincial and district governments to obtain a high degree of understanding of the LGO and to make the main body of rules, regulations and guidelines available in English and Urdu language. However, the overall picture is that the programme to a very large extent

remained a financing mechanism and only to a limited extent performed an advisory role vis-à-vis the provincial and district governments.

124.   Whereas ownership has been strong with the provincial government, the involvement of the local governments in programme implementation has been very limited and they have only recently been included in the EIROP sponsored Capacity Building Advisory Board. This is likely to have impacted on the nature and quality of training provided as part of the capacity development component; the accountability towards the main group of beneficiaries seems to have been missing and the team does not appear to have reacted on the frequent complaints, in particular coming from lower tiers of local government. The capacity development effort as a whole suffers from being reduced to classroom training with the absence of any kind of capacity to reach out to the local governments on a more continuous basis and supporting/facilitating their functioning as an organisation and their interaction with the constituency. Further, the capacity development seems to have been biased towards the higher tiers of local government, and whereas support was explicitly designed to support new functions following devolution, a major chunk of support has been for functions which, to a large extent, are continuations of the system already in place for de-concentration.

125.   In addition to support for the policy framework and capacity development, a third component focussed on a combination of exchange of information in internal network between the districts and provincial headquarters, collection of information intended to improve decision-making in local governance, and measures to improve transparency and accountability. Here, the overall picture is one of technology-centred support and focus on the internal management of information and collection. The programme has made significant contributions to these elements of the intended outcome and to other areas benefiting in particular central government. However, there is a striking absence of programme support aimed at improving transparency and accountability in local governance - an area where the LGO has provided very clear guidance on measures to be implemented. In a context where citizens most often do not have access to even the most basic information, it is doubtful if the collection and centres alone will have a major impact. Similarly, it is questionable if additional information available with the DCICs will be applied to improve decision-making without any intentional effort in this regard.

126.   The project was intended to implement three elements of a strategy for the 'uplift of women'. Considering the number of women in the positions targeted for training and *de facto* number of female representatives, the programme has demonstrated a considerable capacity to include women in training programmes. With respect to the two other elements, research on women in decentralised governance and sensitisation components in training programmes, the record is far less convincing. The research component has to some extent been taken over by the W3P but the lack of clarity with respect to the division of labour between EIROP and W3P seems to have added to the picture of gender not being mainstreamed in programme support for local governance.

127.   Apart from the staff dedicated to the ICT related components, the programme professionals are largely grouped within two wings, research and training, and are

recruited with competencies in these areas. This has led to a degree of compartmentalisation of the organisation but more fundamentally, the lack of specialists in substantive areas of decentralisation and local governance seems to have hampered the projects capacity to enter into a policy dialogue with the central, provincial and local governments, to provide continuous support and follow-up, and to design and control the quality of training. Also, the design provided a menu of areas for studies and training, respectively, rather than defining the most urgent needs, and the capacity to analyse needs and respond has not been fully in place. Whereas the ADB financed Decentralisation Support Programme is considered the main vehicle for support fiscal decentralisation, EIROP has in the past financing a couple of studies in this field but not related itself to the overall process or identified the links between fiscal decentralisation and core areas within the UNDP/EIROP mandate such as assignment of functional responsibilities and planning/budgeting.

128.   The rapid turnover of NPDs and NPMs has led to some limitations in continuity in management. Whereas each of the directors have taken up the intended role under the NEX agreement and provided leadership to the programme, the question in terms of the institutional set-up is whether two full-time functions is preferably to an NPD representing government policy makers and an NPM in charge of day-to-day management.

9.2   *UNDP Policy Framework for the Next Phase of the EIROP*

UNDAF – 2004-2008

129.   As part of the official development assistance to Pakistan the overarching goal of the UN system in the governance domain is to contribute to: 'Improved governance at federal, provincial and particularly district levels by supporting the devolution and decentralisation objectives through political and fiscal devolution, transparency and accountability, strengthening of state institutions, system and capacity and promotion of local participation and ownership'. All four thematic concerns of the UNDAF (2003-2008) – governance, poverty alleviation, health, and education are premised on good governance as the enabling environment. Gender falls as a fundamental cross cutting issue. Under national reform, elected district-level authorities and local councils will be empowered to undertake development at the local level, through participation of the people. The United Nations System will contribute toward institutional strengthening and greater participation in decision-making processes by the least advantaged, including women. Areas of cooperation are:
- Support institutional capacity building for improved governance, particularly at the local government level.
- Strengthen community-level initiatives for empowerment and development of civil society.

130.   The expected outcomes of the UNDAF under governance are as follows:

- Enhanced capacity of local Government for policy formulation and management

▪ Effective institutionalisation of devolution and other governance reforms.

The expected outcomes of the UNDAF under gender are as follows:

▪ Legislative and policy framework improved and effectively enforced for protection and empowerment of women and girls, and children.

▪ Effective implementation of CRC/CEDAW through legislation, policies, programmes, capacity building monitoring, awareness and regular reporting.

UNDP Country Programme 2004-2008

131. The strategic area of support for governance as per the CCO 'capacity of and partnerships between local authorities and civil society organization' and one of the main elements of the gender target is 'development and implementation of national action plans for the advancement of women (Beijing commitments) and the gender dimensions of all conference commitment'. The outcome set as per the resources framework for governance is as follows:

'Local authorities and communities in rural and urban areas enabled and involved in planning and management of development activities, including the provision of public services'

The outcome set for gender is as follows:

'National action plan for the advancement of women jointly adopted, implemented and monitored by the Government, legislature and civil society according to time-bound goals'

9.3   Recommendations

Based on the findings of the evaluation team and taking into account the UN and UNDP framework for programming (see section above), the following recommendations are made for the design and implementation of the next phase of the programme:

Funding

1.   The programme intervention continues to be highly relevant and, within the limitations of available resources, UNDP and SDC should continue funding a programme in support of decentralisation and local governance in the NWFP.

Programme Design, Strategies and Results

2.   UNDP has identified one strategic result for the period 2004-8 under the Decentralisation and Local Governance Service Line (see previous section), i.e.

'local authorities and communities in rural and urban areas enabled and involved in planning and management of development activities, including the provision of public services'. Following UNDP policy, the SRF outcome should constitute the programme outcome for the next phase and the programme outputs should be identified in support of the SRF outcome. Any needs specific to the NWFP or intended results of UNDP not captured in the SRF would have to be discussed and possible be added to the programme outcome(s).

3. Define the programme's role in support of *urban governance* (as included in the SRF outcome) and identify separate strategies for support to rural and urban governance acknowledging the different needs.

4. Retain the *focus on pro-poor service delivery* outlined in the programme document covering the first phase that corresponds to the objectives of the UNDP Country Programme and the strategic result for decentralized governance. Operationalise this strategy in particular through concrete support for local participatory planning, financing and management of service delivery.

5. Identify *a segment of pilot unions and districts in which intensive support to implement and test the provisions of the LGO can be provided*. Key areas of support should be the application of data (e.g. available through the DCICs) in planning at union and district level, facilitation of participatory planning, development of financing and management capacities related to the responsibilities for service provision devolved to the local governments (including the role of CCBs in management of the services), and implementation of the provisions of the LGO intended to improve transparency and downwards, horizontal and upwards accountability of local governments.

6. In continuation of the above recommendations, support the *operationalisation of the concrete provisions for procedures for strengthening transparency and accountability included in the LGO 2001* as a matter of priority with ICT solutions being directly supportive.

7. Define and implement a *strategy for development of local governance* that goes beyond the support for local government institution to include the processes involving interaction between citizens and the local governments. Also, the further development of local governance would require the development of the capacity of citizens and community groups to participate in local governance and hold their elected leaders accountable. This is essential if the programme is to make a contribution to the strategic result (SRF outcome).

8. Focus on the further *development of the operational policies* supporting decentralised governance (e.g. guidelines, rules and regulation for which support for drafting and translation has been provided in the first phase) through a process of piloting the application, generating lessons learned and supporting the process of incorporating the lessons learned.

9.   Define and implement a *strategy for participation of the elected local representatives and other local stakeholders* in: a) the formulation of the next phase of the programme (e.g. through a stakeholder workshop when a proposal for the main pillars has been elaborated); b) the formulation and approval of project work plans (e.g. through an inception workshop, participation in meetings on work planning at central and provincial levels); c) the design of the policy support and capacity development activities of the programme; and d) the monitoring of performance and results of the programme and individual activities.

10. Design the new programme with a *strategy for capacity development* going beyond the individual level to focus also on institutional/organisational and societal capacity. It is highly recommended that the vast global experience on the institutional set-up and delivery strategies to develop capacities of local governments be reflected in a revised design. The programme should have the capability to provide assistance to individual local governments (e.g. for capacity development and in drafting and enacting their own subordinate legislation). Ideally, the programme would have a supply-driven component providing a package of basic assistance and a demand-driven component enabling the individual local governments to obtain support reflecting their specific needs. With respect to support for individual capacity, other delivery strategies than classroom training should also be considered.

11. The role of UNDP in support for fiscal decentralisation and the *linkages between planning (as expressed in the SRF outcome) and local government finance* needs to be defined with the new programme document (see also recommendation for partnership with DSP).

12. Review the experience of UNDP (including UNCDF) with the provision of seed grants in local governance programmes and consider the merits of a seed grant component for pilot districts/unions/TMAs. Such a component could provide an entry point for development of the capacity to deliver the devolved services, including to pilot mechanisms for participatory planning, accountability, transparency etc., and to test and further operationalise the framework for fiscal decentralisation.

13. Ensure *consistency in the design* in terms of strategies being operationalised with the outcomes and outputs in the results framework of the programmes and clear linkages between outputs and outcome(s) being identified. Further develop SMART indicators at output and outcome level (and apply SRF indicators) which will enable monitoring of progress. It is recommended that the 'success indicators' are replaced by the outcome indicators.

14. Design and implement the new phase of the programme implying *a shift towards and 'upstream' role*. In addition to the above-mentioned process of supporting the pilot testing and refinements of the operational policies, this would entail a shift

from implementation of the 'decentralisation framework' and training towards a more systematic piloting drawing on global lessons combined with advice for the development of legal frameworks, systems and procedures at the provincial, district, *tehsil* and union level. Also, it is recommended that in the future the staff of EIROP be required to play a more active role in the implementation and not restrict itself only to passively procuring services.

Partnerships

15. Further to the above recommendation on clarifying the role of the UNDP in support for fiscal decentralisation and the linkages between local government finance and the core areas supported by the UNDP programme, further elements of a partnership with the ADB funded DSP should be identified given that support for fiscal decentralisation will primarily be provided by this programme.

16. Maintain the three *strategies on gender* identified in the programme document and implement in the next phase ensuring that overlap are avoided between the first strategy (policy research) and the activities of the W3G programme. While noting that progress has been made, there is a need to devote considerable attention to the implementation of the strategies for sensitisation and for inclusion of women in training. It is crucial that the partnership with the W3G is clearly formulated to avoid the common understanding that the W3G 'takes care of the women' and enable the mainstreaming of gender in local governance.

Implementation and Programme Management Arrangements

17. Measures should be considered which could reduce the turnover of National Programme Directors and National Programme Managers. With respect to the NPD, one option would be to appoint a government policy-maker who could provide guidance to the programme without being full-time director. Should it continuously be considered difficult to ensure continuity in the NPM position in the next phase, it could be consider to convert this from government appointment to recruitment of an external professional.

18. Replace the Quadri-Partite Review (QPR), Project Review Board (PRB) and Project Steering Committee (PSC) stipulated by in the programme document covering the first phase with an annual policy level review of the programme implemented in NWFP jointly with other UNDP programmes contributing to the same SRF outcome (see UNDP policy on annual reviews). A working level tripartite Programme Management Committee (PMC) comprising of the donors, government, and programme management could be formed and meet regularly.

19. Apply *UNDP NEX procedure for recruitment and procurement of goods and services*. Within the framework of the NEX agreement, delegate day-to-day responsibilities for procurement and recruitment to the programme management and procurement/recruitment committees when necessary.

20.   Retain *programme advisors* (on long-term or short-term basis) with professional qualifications in the core areas of decentralisation and local governance.

21.   Retain *external international and national advisors* to support the formulation and implementation of the programme and up-stream policy advice covering the areas of decentralisation and local governance relevant to the programme.

22.   Ensure that the programme benefit from the *corporate knowledge of UNDP and SDC* (e.g. through the inclusion in UNDP knowledge networks and support of UNDP and SDC advisors).

23.   Strengthen the mechanisms for *involvement of provincial departments in addition to the implementing agency*, and reconsider the merits of this project being implemented by the Planning, Environment and Development Department.

24.   Apply a *competitive process for procurement of services* ensuring that selection of service providers is not biased towards former employees of the PE&D, Finance and other departments, and advertise, when feasible, recruitment/procurement at the national level.

Monitoring, Evaluation and Audits

25.   Further to the above recommendation on strengthening the indicators at outcome and output level, continue the recently established *monitoring position* and further strengthen *procedures for monitoring* of progress against work plans and, in particular, performance of the programme with concrete procedures for incorporating lessons learned.

26.   Ensure *procedures for reviewing annual reports and work plans* of the programme which will enable UNDP and the Government to track major shift between types of activities and the distribution of beneficiaries.

27.   Ensure that action plans on *follow-up to audit recommendations* are prepared and monitor progress. Include the preparation and follow-up in the TOR of the NPM and review compliance as part of the annual performance evaluation.

Annex 1

TERMS OF REFERENCE
Evaluation Mission of Essential Institutional Reforms Operationalization Project
(PAK/97/006)

Introduction and rationale

Conscious of the need to assist the Government of NWFP in undertaking institutional reforms in essential areas of accountability, corruption, community empowerment, and institutional linkages between the government and the communities, a preparatory assistance phase (PA) of Institutional Reforms Programme (IRP) was prepared by UNDP.

The preparatory assistance project was initiated in early 1998, and the Government of Pakistan subsequently requested UNDP to pursue its assistance in terms of a full-scale project to further strengthen the capacity of the Government of NWFP in achieving its objectives.

In response to this request, a project document for a first phase of assistance was signed on 27 February 2001, named Essential Institutional Reforms Operationalization Project (EIROP). The overall objective of the first phase project is to enhance the well being of the people of NWFP by making the public sector more effective, efficient and responsive through decentralisation, informed decision making and capacity building, working towards a system which is participatory, gender sensitive, transparent and accountable to the beneficiaries. The immediate objectives of the project were defined as follows:

1. Facilitate the design and implementation of decentralisation framework at the provincial and district level;
2. Build capacities at the provincial and district level; and
3. Enhance quality and transparency of decision-making by improved information collection and management.

The first phase of the project was designed within a broader and longer-term programme framework, initially envisaged for a period of ten years. This first phase of the project is to be completed in February 2004. The Project Review Board decided to grant a six-months extension to the project on 17 September 2003, based on a formal request from the project.

EIROP project document states that the project will be subject to an end-of-project evaluation based on the criteria developed for such evaluations by UNDP. SDC and UNDP also confirmed subsequently the need to conduct an evaluation of the project to assess its contributions towards the project objectives, which would assist in deciding on the initiation of the second phase or expansion of the Programme.

II. Objectives of the evaluation mission

The primary objective of the external evaluation of the project is to carry out a comprehensive review of the project design, implementation strategy, sustainability, results and achievements, identify gaps and good practices, and make recommendations for future action.

III. Tasks to be performed

The mission will critically assess the following:

1. The <u>overall performance of the project with reference to its respective strategy</u>, including:

    - Strategy for support to decentralization reforms, through: support for the Governance Unit in P&D Department, training/sensitising activities for elected representatives, civil services (at district, union and tehsil levels), and civil society; identification of local resources including resource potential; support for support to increased/improved participation in decision making, and institutions that promote equity and redressal of grievances, as well as for establishing civil society-local government partnerships, especially in the areas of participatory planning, transparent information systems, as well as managing and monitoring of service delivery institutions; and support for civil service reforms
    - Strategy for uplift of women, through: policy research and advice on how to achieve equality of rights and opportunities for women; policy research and advice on how to bring gender into the mainstream of development planning; special sensitisation on gender and governance; gender mainstreaming of all training activities; and support to gender disaggregation of data collection and use for development planning purposes.
    - Strategy towards ensuring transparency and use of information, through: support to informed and transparent decision making; and support for better accountability, efficiency and effectiveness of government departments and public service delivery.
    - Strategy for sustainability of project interventions, and shifting of responsibility and capacities for each project component to counterpart provincial and local institutions.

2. The <u>overall performance of the project with reference to its respective objectives</u> and related quantitative and qualitative indicators defined by the project document.

3. The <u>usefulness and relevance of specific project outputs and activities, in terms of design and implementation</u>, as defined in the project document, in terms of research/studies/documentation, policy recommendations/advocacy, capacity-building intervention (skills, mainstreaming gender, other), awareness raising, networking and coordination.

4. <u>The relevance and usefulness of the project with regard to its envisaged target beneficiaries</u>, including public sector institutions, policy makers, elected representatives, development planners, district and local government, civil society organizations and media. <u>Performance of the project vis-a-vis women, minorities and marginalized groups</u> shall be assessed specifically.

5. <u>The suitability and efficiency of implementation arrangements</u> (including: role of, inputs by, composition of, regularity of, coordination by/with Provincial Decentralisation Task Force, Governance Unit, Project Review Board, Project Steering Committee, Tripartite Review Meetings, SDC expert's mission, provision of National Project Director and National Project Manager); <u>execution arrangements</u> (including role and inputs of P&D Department, and specific/strategic support to specific line department, LG&RD Department, Finance Department and Law Department); <u>operationalization arrangements</u> (including project structure and expertise); <u>communication and coordination arrangements</u> between the project, UNDP and SDC. On this basis, the monitoring mission shall highlight major management and operational issues that effected achievement of project objectives, and suggest recommendations for their redressal. Specific attention shall be given to mechanisms and platforms that ensure guidance, monitoring and evaluation of the project.

6. The <u>specific relevance of the project in the emerging country context and priorities</u>, including: expertise/capacity/flexibility of the project in adapting itself to new requirements and priorities vs. inability of the project to fully implement planned components; related appropriateness of project components and interventions; past and present overall capacity of the project in projecting itself/playing as an important counterpart in devolution reforms at provincial level (through developing/following up on outputs against the reform agenda, effective outreach and lobbying, linking/coordinating with similar initiatives and other stakeholders such as NRB, public service training institutions, large similar project, line departments, and key donors).

7. The significant lessons that can be drawn from the experience of the project and its results (in terms design, strategy, sustainability, impact, results and achievements), in particular good practices and initiatives that worked well or that can be potentially applied to other projects/developed upon in the upcoming phase, as well as gaps, bad practices and those initiatives that should be avoided in future. Specific attention shall be given to identify the causes of slow progress and low impact, if any, and accordingly suggest remedial measures and/or recommend readjusting /reorientation of project design.

8. On this basis of all previous assessments, the mission shall make initial recommendations as for the needs, design and strategy for future related assistance.

IV. Scope of the Evaluation

Geographic Area: NWFP
▪ The mission will be fielded for three weeks, beginning in December 2003. EIROP will be in charge of preparing a briefing package for the members as well as organising all required meetings and interviews with the various parties concerned. Field visits will be scheduled by EIROP project to ensure the process of consultation with EIROP partners and key stakeholders.

V.   Products expected from the evaluation

An Evaluation Report with findings and above mentioned assessment areas, recommendations, lessons learned and best practices, as described under point III.

An Aide-Memoire shall be submitted at the end of the mission and be directly sent to UNDP for comments.

The mission findings and recommendations will be thoroughly discussed with the UNDP Country Office and the project management. On the basis of comments provided by UNDP and the project management, the mission shall finalize the reporting documents.
Finally, the consultants will share the report findings at a Project Review Board, organized by EIROP.

VI. Methodology or Evaluation Approach

▪ Documentation Review (desk study)
    - UNDP Strategic Result Framework (SRF), Result Oriented Annual Report (ROAR), the mid-year review of the Country Cooperation Framework (CCF), Common Country Assessment/UN Development Assessment Framework (CCA/UNDAF), Country

Programme (CP), EIROP Project Document, Annual Progress Reports (APR), Quarterly Progress Reports;

- UNDP Pakistan Outcome Evaluation Report, SDC Consultant's – Walter Kaelin - Reports, EIROP Benchmark Survey, any monitoring/evaluation material developed by Monitoring/Evaluation Specialist EIROP;

- GoNWFP LGO 2001 and other devolution-related documents

- EIROP outputs, in terms of studies/research/documentation, policy recommendations, workshop/training reports.

- Interviews
  Interviews with GoNWFP concerned line departments at provincial and district levels, elected representatives at district, tehsil and union levels, SDC, UNDP, the Economic Affairs Division, NRB, project beneficiaries (including women) among elected representatives, public servants, public servants training institutions, civil society, media, BoS, relevant Local Government institutions (Local Government Commission, Financial Award Commission, Public Safety Commissions, Monitoring Committees, CCBs, etc.), and international donor community.

- Field Visits
  NWFP Districts, Tehsils and Unions, where the project has been active.

VII.   Evaluation team

The mission team will be composed of three members. The team leader will be a UNDP expert. The other members would comprise of a national consultant, a representative of Government of Pakistan. SDC will also be invited to join the evaluation process, in particular for the briefing and debriefing sessions with the mission. All duties of the team will be carried out in close collaboration with the UNDP field office, as well as with the Monitoring/Evaluation Specialist EIROP.

The national consultant will be an expert on the devolution reforms (political, administrative and financial) and will be actively involved in collecting information from stakeholders and will assist in the preparation of the evaluation.

The GOP representative will participate in the evaluation process under the overall supervision of the team leader and will facilitate access to all the government documents related to the project or any other document required by the mission.

VIII.   Implementation arrangements

EIROP management unit will undertake all necessary administrative tasks concerning travel arrangements, accommodation, and logistics for the mission team. The mission will be funded under BL 16.01 of the EIROP project (PAK/97/006).

NWFP – ESSENTIAL INSTITUTIONAL REFORMS OPERATIONALIZATION PROGRAMME

VISIT PROGRAMME FOR THE EXTERNAL EVALUATION MISSION

(Dec 31, 2003 to Jan 16, 2003)

S.#	Day	Description of Item	Time
**31st Dec 03 - 2nd Jan 04** **Review of project documentation, meeting with project management,** **staff and M & E Officer by National Consultant**			
1	31/12/2003 Wednesday	➤ Briefing with UNDP ➤ Travel to Peshawar ➤ Review of reports (progress, studies, workshops, trainings, visits, etc)	09:00 – 10:30 10:30 – 01:00 02:00 – 05:00
2	01/01/2004 Thursday	➤ Project briefing and introduction by the Project team ➤ Meeting with the project management ➤ Lunch & prayers break ➤ Review of reports (progress, studies, workshops, trainings, visits, etc)	09:00 –10:30 10:30- 01:00 01:00- 02:00 02:00-04:30
3	02/01/2004 Friday	➤ Individual meeting with the M & E Officer and project staff ➤ Return to Islamabad	09:00 – 01:00 02:00 – 04:00
**6th Jan – 9th Jan** **Meetings with Project's counterpart, partners and provincial authorities,** **Peshawar by International and National Consultant**			
4	06/01/2004 Tuesday	➤ Briefing with National Consultant ➤ Briefing with UNDP & SDC ➤ Travel to Peshawar ➤ Dinner with Project Management and M & E Officer	10:00 – 01:00 02:00 – 03:00 03:30 – 6:30 07:30
5	07/01/2004 Wednesday	➤ Briefing with Project Management and M & E Officer ➤ Meeting with Secretary Local Government ➤ Meeting with Secretary Establishment ➤ Meeting with Secretary P & D ➤ Lunch & prayers break ➤ Meeting with Secretary ST&IT ➤ Meeting with project team	08:30-10:00 10:00-11:00 11:00-12:00 12:00-01:00 01:00-02:00 02:30-03:30 04:00-05:00

6	08/01/2004 Thursday	➢ Meeting with Associates in Development/HRMDC/AID	08:30-10:00
		➢ Meeting with Female Councilors	11:30- 01:00
		➢ Lunch & prayers break	01:00- 02:00
		➢ Meeting with Aurat Foundation	02:15-03:15
7	09/01/2004 Friday	➢ Meeting with Khwendo Kor	09:00-10:00
		➢ Meeting with Director NIPA, Peshawar	10:30-12:00
		➢ Meeting with Finance Secretary	12:00-12:45
		➢ Lunch & prayers break	01:00- 02:30
		➢ Travel to Abbottabad	02:30- 05:30
**10th Jan – 14th Jan** **Field visits and meetings with project's counterpart and beneficiaries** **at District , Tehsil and Union Council level by** **Team Leader and National Consultant**		
8	10/01/2004 Saturday	➢ Meeting with District Government Mansehra	09:00-10:30
		➢ Travel to Battagram	10:30-12:30
		➢ Meeting with District Government Battagram including lunch & prayers break	12:30-03:30
		➢ Travel to Abbottabad	03:30
9	11/01/2004 Sunday	➢ Visit to Union Council Tarangri Sabir Shah, Mansehra	09:30-12:00
		➢ Meeting with TMA, Balakot	12:30-01:30
		➢ Travel to Abbottabad	02:00-04:00
10	12/01/2004 Monday	➢ Presentation on DCIC in Abbottabad	09:30-11:00
		➢ Meeting with SUNGI Development Foundation	11:30-12:30
		➢ Lunch & prayers break	01:00-02:00
		➢ Travel to Haripur	
		➢ Meeting with TMA Haripur	02:30-04:00
		➢ Travel to Peshawar	04:00-06:30
11	13/01/2004 Tuesday	➢ Travel to D.I.Khan	11:00
12	14/01/2004 Wednesday	➢ Meeting with elected representatives of District Government, D.I.Khan	09:00-10:30
		➢ Meeting with state functionaries of the District Government, D.I.Khan	11:00-12:30
		➢ Lunch & prayers break	01:00-02:30
		➢ Travel to Peshawar	
**16th Jan – 17th Jan** **Further meetings with key partners and policy makers at federal** **and provincial level as well as debriefing with key stakeholders, SDC** **and UNDP by International and National Consultant**		
14	15/01/2004 Thursday	➢ Debriefing session with ACS, Minister P&D and Finance, Minister Local	09:00-09:45

		Government	
		➢ Lunch & prayers break	01:00-02:00
		➢ Travel to Islamabad	02:30
15	16/01/2004 Friday	➢ Meeting with NRB	09:00-04:00
		➢ Debriefing with UNDP and SDC	

Annex 3 – Detailed Break-Down of Participation in Training Programmes

Workshop/Course/ Activity	No. / Day	Ref Ann VI Prodoc	Local Govt. Tier	Participants					
				Female %	Nazim/ Naib-Nazim	Union Coun-cillor	DCO EDO TMO DPO other	NGO / (CCB)	Don ors
Decentralised Functioning, Planning, Finance & IT Skills	4 (4)	1*,4a*, 8*	1,2,3	0	110		79	1	
Participatory Planning	4 (3)	2a	1,2	9	58	53	55	9	
Roles and Responsibilities of Women Councillors under LGO 2001	1 (1)	1a*	1,2,3	100		37			
PFC Award 2002	2 (1)	4a*	1,2	0	42		76^y		
Reflections on LGO 2001	2 (1)		1,2	10	19	9	41	13	9
Capacity Building of NGOs in the Context of LGO 2001	2 (4)	11*		17				60	
Capacity Building of CCBs	2 (2)	11*	1,2,3	67				62	
Integration an d Coordination of Capacity Building Interventions in NWFP	1 (2)			21			7^y	14	22
Capacity Building : Planning & Budgeting	95 (2)	2a, 2b	3	0				3001	
Participatory Planning	24 (3)	2a	3	13	264	231	210	145	
Office Automation : Using In Page	1 (11)	9a*		2			40^y		
Office Automation : Use of Computers	14 (7)	9a*	1,2	0			29 (District Mardan only)		
Support to NRB's Training for Councillors	24	1*,2*	1,2,3						
Interface between Zila Nazims and Police in the context of the Police Order 2002	1 (1)		1						
Service Related Issues of LGs	1 (1)	3*	1,2,3						
Vertical & Horizontal Coordination Issues in Local Government System	1 (1)	1*	1,2,3						
Composite Training for LG Ledership in LGO 2001, Local Council Protocol, Leadership Management Skills, Human Rights and Gender Mainstreaming	499 (?)	1, 2	1,2,3	Currently on-going					
International Training for Provincial Govt Officers	7 (5-17)						7^y		
In-service Training for Provincial & Local Govt Officers	35 (2-7)		1,2	1			35^y		
Regional Visit to Philippines	1 (8)	6	1		8		6		
Bridging Gap between CSOs and LGs	1 (2)	1a*,2a*							
Exposure Visits to Model Districts by 62 persons	2 (4)	6	1						
Exposure Visits of Union Nazims and CDOs for Social Mobilisation (27 persons)	1 (?)	6	1						

The above analysis presents a summary of participation by women, spans across tiers of government (blank denoting tiers other than LGs), relevance to the planned training programme during Phase I of EIROP, and the span of attendance across types of persons attending. The asterisk against the references to the contents of Annex VI in the Project Document, indicate a partial response to the topic(s). Where a blank has been left in this column, the workshop, course or activity is one which has not been specifically included in the Project Document, and is, therefore, a variance from plans. However, in the wider context of EIROP's original mandate as support to improvement in governance, most of the training opportunities funded by EIROP would be justifiable.

The superscript 'y' in the column for government officials attending workshops etc. indicates the predominance of attendance by provincial or federal government officials also. In fact, in some of these only the provincial and federal government officials attended.

The summary contains information drawn from specific reports where available or from the summaries and statements contained in the Annual Project Reports for 2001, 2002 and 2003.

Annex 4 – Detailed Analysis of Completion of Training Programme

The Training Programme of EIROP can be divided into ten components to be undertaken by the Training Wing. Within each arena a number of sub-topics were identified during the project formulation and were included in the Project Document as Annex VI (see table *x* below). The amended categorisation collapsed these into 7 areas for training (see table *y*):

Table x - Training Programmes Planned (Annex VI – Project Document)

	Training	Target	Days	Number
1.	a Roles & Responsibilities b Skills in Administration & Supervision c Effective Delegating Skills d Total Quality Management e Problem Solving f Decision Making Skills	Mayors, Dy. Mayors, DCOs and other personnel of District governments and Provincial Government.	6	12
2.	Basic Notions of a planning, b budgeting and accounting, c management, d legislation and litigation, e gender, and f governance sensitization.	Elected Representatives and personnel of Local government of 24 Districts.	6	2x24
3.	Know how about reforms in the area of a Civil Services, b Performance Management System, c Building High Performance Teams, d Services Re-engineering, e Better Field Services Management, f Managing Conflict in Organizations.	Civil Servants of the Local Govts. And provincial Line Deptt. Personnel of NWFP Public Service Commission.	10	5
4.	a Resource Management Mobilization, b Human Resource Development.	Local governments personnel	12	24
5.	On-job Training, streamlining Administrative procedures & team work.	G.U. Personnel.	10	12
6.	Regional visits / Study Tours	G.U. personnel + Personnel of LGs +	10	30

	Training	Target	Days	Number
7.	Sensitization programmes in accountability mechanism	Civil Servants of Local Govt. of 24	1	53
8.	Information collection, sharing, processing and analytical techniques.	Personnel of 24 Distict Governments	6	3x24
9.	a Office automation, b SPSS, c Computerised analysis techniques	Personnel of BOS	10	3
10.	a Establishment & maintenance of Databases, b Networking, and c use of Internet.	Personnel of BOS + DCICs + provincial line departments.	6	1
11.	Policy planning, advocacy, social mobilization, etc.	Civil society organizations	6	24

Table y – Amended Plan for Training Courses

1 Administration and Management	a Roles & Responsibilities b Skills in Administration & Supervision c Effective Delegating Skills d Total Quality Management e Problem Solving f Decision Making Skills
2.Governance	Basic Notions of a planning, b budgeting and accounting, c management, d legislation and litigation, e gender, and f governance sensitization.
3. Issues in Public Service Personnel Management	Know how about reforms in the area of a Civil Services, b Performance Management System, c Building High Performance Teams, d Services Re-engineering, e Better Field Services Management, f Managing Conflict in Organizations. *b Human Resource Development. (transferred from 4)*
4. Resource Management	a Resource Management & Mobilization
5. Office Management	On-job Training, streamlining Administrative procedures & team work.

6. Exposure and Awareness (*Elected Representative / Senior Officers*)	Regional visits / Study Tours
11. Exposure and Awareness (*NGOs/CSOs*)	Policy planning, advocacy, social mobilization, etc.
7. Accountability	Sensitization programmes in accountability mechanism
8. Information Technology *9. Office Automation and* *Data Analysis* *10.*	Information collection, sharing, processing and analytical techniques.
	a Office automation, b SPSS, c Computerised analysis techniques
	a Establishment & maintenance of Databases, b Networking c Use of Internet.

The analysis of each of the programmes for which reports were made available are given in the following paragraphs. For the purposes of undertaking the first two training programmes, EIROP has divided the province into the following four clusters.

Abbottabad   Abbottabad, Haripur, Mansehra, Battgram

Peshawar   Peshawar, Charsadda, Nowshera, Mardan, Swabi, Hangu, Kohat

Swat   Malakand, Upper Dir, Lower Dir, Buner, Swat, Shangla, Chitral

Bannu   Bannu, Lakki Marwat, Dera Ismail Khan, Tank, Karak

Title   **Decentralised Functioning, Planning, Finance & IT Skills**
Topics   1   Familiarity with Roles and Responsibilities; Processes and
                        Institutions
               2   Project Cycle Management
               3   NGO/CBO Role in Participatory Development Practices
               4   Accounting Practice
               5   Powers and Functions of DDOs
               6   Performance Auditing
               7   Fraud, Forgery and defalcation Investigation
               8   Role of PACs and DACs
               9   Use of and Benefits from IT in ensuring effective governance and
                        development management
Target   District and Tehsil Nazims, District and Tehsil Naib Nazims, District and
               Tehsil DCOs, EDOs/DOs (Finance and Planning)
Location   Abbottabad, Peshawar, Swat, Bannu
Dates   October and November 2001, January and February 2002
Duration   4 days each
Sessions per day   3 + 4 + 4 + 2 = 13   Disparate Topics
Attendance

	Abbottabad	Peshaawar	Swat	Bannu
Nazims	8	19	18	7
Naib Nazims	8	19	21	10
DCOs	3	8	5	2
TMOs			3	1
EDO/DO (F & P)	3	5	6	4
DO (Finance)	2	6	4	2
DO (Planning)	3	6	5	2
Other Officers	3		2	4
NGO/CSO	1			
TOTAL	31	63	64	32

Title   Participatory Planning

Topics
1   Participatory Development and Concept of Empowerment
2   Need for and Benefits of Decentralisation
3   Organisational Framework for Development and Resource Mobilisation
4   Managing CB Programmes
5   Tool for Situation Analysis and Methods of Data Collection
6   Bottom-up Planning
7   LFA
8   Stakeholder Participation and Analysis
9   Verifiable Indicators and Methods of Verification
10   Proposal Preparation
11   Monitoring Mechanisms and Formats
12   Role of Monitoring Committees

Location   Abbottabad, Peshawar, Swat, Bannu

Dates   Feb – Mar 2002

Duration   3 days each

Target   District and Tehsil Nazims, District and Tehsil Naib Nazims, Councillors, TMOs, DPOs

Sessions per day   3 + 4 + 4 + 2 = 13   Disparate Topics

	Abbottabad	Peshaawar	Swat	Bannu
Nazims	19	17	12 (1)	9
Naib Nazims	1			
Councillors	6 (2)	16 (7)	22 (3)	9(2)
DCOs				
TMOs	5	6	9	7
EDO/DO (F & P)			2	

DO (Finance)				
DO (Planning)	6	3	3	5
Other Officers		1	2	5
NGO/CSO	3	2 (1)		4
TOTAL	40	46	50	39

Title	Roles and Responsibilities of Women Councillors under the LGO 2001

Topics	1	Overview of LGO 2001
	2	Roles and Responsibilities of Women Councillors
	3	Experience of Women Councillors under the devolved framework of government

Location	Peshawar

Date	July 2002

Duration	1 day

Target	Women Councillors

Attendance	Women councillors (37) [Peshawar and Charsadda only

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Title	PFC Award, 2002

Topics	1	Status of Award
	2	Problems faced by Districts in implementation of Award
	3	Recommendations for improvements in the formula for the next Award
	4	Exposure to the Structural Adjustment Credit and its implications for the Award

Location	Peshawar (twice)

Date	January 2003

Duration	1 day each

Target   Elected Representatives and Officials of District and Tehsil Governments and officials of Provincial Government

Attendance   District Nazims 16; Tehsil/Town Nazims 25; Union Nazims 1; DCOs 19; TMOs 2; EDO (F&P) 19 Other District Officers 13; Provincial Government 19; Members of the PFC 4

Title   Reflections on Local Government Ordinance, 2001

Topics   1   Issues and Problems in Implementation
          2   Shortcomings in the Ordinance
          3   Recommendations for Change in Implementation and
               Amendments to Ordinance

Location   Peshawar (twice)

Date   May 2002

Duration   1 day each

Target   First Workshop: District Elected Representatives and F&P Officials;
Officials of Provincial governments (NWFP, Sindh, Punjab); Officials of NRB; Experts;
NGOs; Donors
               Second Workshop: Tehsil Elected Representatives and F&P Officials;
Officials of Provincial governments (NWFP, Sindh, Punjab); Officials of NRB; Experts;
NGOs; Donors

Attendance
Day 1   District Nazims/Naib Nazims 10; Women Councillors 4; DCOs 5; EDO
(F&P) 1; Other District Officers 4; Officials of Provincial Governments 11; Other
Officials 3; Donors 7; Experts/NGOs 7

Day 2   Tehsil/Town Nazims/Naib Nazims 9; Women Councillors 5; TMOs 6;
Officials of Provincial Governments 9; Other Officials 3; Donors 9; Experts/NGOs 6

Title   Capacity Building of NGOs in the Context of LGO 2001
Topics   1   Behavioural Change
          2   Implementation of devolution plan
          3   Theory and Techniques of development
          4   Legal and Financial aspects of the devolution plan 2001
          5   Identification of problems and issues related to poverty, good
               governance, capacity building, leadership management, gender
               concerns, skills training for the poor
Location   Peshawar (twice)
Date   March and April 2003
Duration   4 days each
Target   NGOs and CBOs
Attendance   First Workshop: 17 (4 females)
               Second Workshop: 43 (6 females)

Title   Capacity Building of CCBs

Topics   1   Role and Responsibilities of CCBs
               2   Developing Effective Project Proposals
               3   Preparing Resource Mobilisation Plan
               4   Understanding of Approval and Monitoring Processes

Location   Lachi (two workshops)

Date   October 2003

Duration   2 days each

Target   Members of CCBs

Attendance   First Workshop   20 men
               Second Workshop   42 women

Title   Integration and Coordination of Capacity Building Interventions in
               NWFP

Topics   Coordination and Consolidation of Capacity Building

Location   Islamabad

Date   March 2003

Duration   2 days

Target   Donors, Service Providers

Attendance   Government Officials 7; Donors/Funded-Project 22; NGOs 8;
Researchers/Academia/Others 6

Title	Capacity Building Workshop on Planning and Budgeting

Topics | 1 | Familiarisation with local government's new budget code and development planning manual
| 2 | Feasibility Analysis
| 3 | Preparation of Recurring Budget
| 4 | Preparation of Development Budget
| 5 | Training in completing Project Proposal Form BDD-4 and CCB Project Proposal Form CCB-1
| 6 | Techniques for ensuring economy, efficiency, effectiveness, quality and accountability

Location   24 District Headquarters

Date   May to July 2003

Duration   95 workshops * 2 days each

Target   Union Nazims, Naib Nazims, Union Secretaries; CCBs

Attendance

Zone (Districts)	Workshops	Participants
Southern Zone (DI Khan, Kohat, Karak, Bannu, Lakki, Tank, Hangu)	21	668
Central Zone (Peshawar, Mardan, Charsadda, Swabi, Nowshera)	31	1004
North Eastern Zone (Abbottabad, Mansehra, Haripur, Battagram, Kohistan)	20	545
North Western Zone (Swat, Malakand, Bunair, Shangla, Lower Dir, Upper Dir, Chitral)	23	784
TOTAL	95	3001

Annex 5 - Summary of Audit Findings

Through December 2003, two audit reports have been prepared for the years 2001 and 2002. Compared one against the other the standard of the audit shows a substantial variation. For instance the report for 2001, while highlighting a number of minor variations from the norm, is silent on performance evaluation or relevance of work done with respect to the Project Document. As opposed to this the report for 2002 undertakes the performance evaluation and relevance analysis but presents this very succinctly without going into reasons for the conclusions drawn.

Both reports point out that DSA claims were finalised in the absence of back to office reports whereas the standard procedure in government requires that on the completion of any training or official visit outside the station of duty, the trainee or visitor must submit a back to office report highlighting the reasons, the content of the programme or observations made during the visit, the benefits derived and a recommendation for the future.

The report for 2002 has pointed out a number of discrepancies which were major in character. All of them relate to studies undertaken. The report states that of the studies undertaken, the report for one has not been received even after a lapse of over 1 year from deadline, another was undertaken without a work plan, and a third was undertaken which had no relevance to the project nor was it mentioned in the Work Plan or the Project Document.

The audit has tracked the output from the 54 activities contained in the Work Plan and a closer examination of the results by us indicates that that only 33 percent were completed, and another 28 percent were still in process at year's end. 41 percent of identified activities were not undertaken for the reasons stated below. Two study reports were dropped as the PRB felt that their relevance or need was unclear. In another case the proposed study was dropped as the NRB felt that this was replicating work that it was undertaking. Three activities were discarded during the current year as the guidelines to undertake them had not been made available by the NRB. Two activities were not taken up during the year as the Provincial Finance Commission had not been constituted.

One activity was seen to be a replication of earlier work done and was, therefore, not initiated. A total of eleven (11) activities were initiated, but substantive work on them could not start as the approval process was so long that their relevance to the then existing situation was lost: 7 of these were due to delays within UNDP/SDC and 4 were as a consequence of procedural delays within government.

Further, one study could not be taken up as no international expert was available in time. Yet another fell by the wayside owing to the delay in the establishment of the relevant office within the local governments.

In sum the following delays/cancellations have occurred in 2002 according to the audit report:

Dropped by a decision of the PRB	2
Dropped by a decision of the NRB	1
Guidelines by NRB for activity were delayed	3
Delay in constitution of PFC	2
Subsumed by a completed activity	1
Delayed by Donors	7
Non-availability of experts	1
Delay in establishing concerned dept. in LGs	1
Procedural delays	4

Annex 6 – Summary Outline of ADB Decentralization Support Programme

The overall programme objective or goal is to achieve improvements in local government representation, accountability, service delivery and poverty reduction through fiscal restructuring to support reforms in policy, legal, technical and fiscal domains. It is being implemented with the assistance of the Asian Development Bank (ADB) through two program loans for DSP policy reforms, and two technical assistance (TA) loans for, one, Local Government Performance Enhancement, and two, Gender and Governance Mainstreaming.

The specific and immediate objectives are:
(i)   sufficient and effective federal support for devolution and related reforms;
(ii)   effective and sustainable province-local intergovernmental relations; and
(iii)   local government planning and fiscal management systems resulting in efficient and equitable delivery of services according to clearly established norms of public participation, access to information and accountability.

It is expected that these will be achieved through reforms and associated actions in three domains, including
(i)   institutional strengthening and capacity building, and
(ii)   fiscal restructuring and budgetary measures.

The programme scope spans:
(i)   the mandates of key federal institutions, including agencies responsible for devolution, finance, women's development, supreme audit and accounts;
(ii)   province-wide institutions responsible for inter-governmental fiscal, policy, regulation and technical support, and
(iii)   the political and administrative organs of local governments at district, tehsil and union levels.

The loans for programme implementation are through the ADB's Special Funds resources (US$ 65 million) and ordinary capital resources (US$ 205 million). The TA Loans are for a total of US$ 30 million. The first TA loan will be used to support Federal (Controller General of Accounts, Pakistan Auditor General, and National Reconstruction Bureau) and provincial agencies and local governments to build capacities in core planning, finance management (accounts, budget, and expenditure management), procurement, and audit functions necessary for efficient and equitable service delivery. Investments in TA and capacity development activities will be made in 11 thematic areas considered necessary to articulate the new legal, fiscal, and institutional arrangements of decentralization. These thematic areas are linked to three policy outcomes. The matrix of outcomes and thematic areas within them are:

Policy Outcome 1: Sufficient and Effective Federal Support for Decentralization and related Reforms:
(i)   Audit
(ii)   Accounts

(iii)   Communication, StrategicMonitoring and, Social Audit Processes

Policy Outcome 2: Effective and Sustainable Provincial-Local Intergovernmental Relations:
(i)   Balochistan medium term policy making resource management system
(ii)   Province training, capacity building and monitoring systems
(iii)   Local government regulations and inter-governmental relationships
(iv)   Intergovernmental fiscal transfer and local revenue generation

Policy Outcome 3: Local Government Institutions Managing Resources Accountably and Equitably
(i)   Performance budgeting and service delivery
(ii)   Political and institutional arrangements and administrative restructuring to improve LG performance
(iii)   Public access, information and internal audit/quality assurance
(iv)   Public grievance and dispute resolution, internal administrative process, and functionality of Ombudsman office

The second TA loan will be used to support implementation of the Governance Reform Action Plan, and will support implementation of four central policy themes in gender and governance:
(i)   improving women's representation and participation in political and administrative structures;
(ii)   encouraging a policy shift from social welfare to social development, and from women's development to gender equality;
(iii)   restructuring of national institutions and procedures dealing with gender issues; and
(iv)   engendering planning and budgetary processes with the aim of narrowing the gender gap in public expenditure and service provision.

The GRAP will include but not be limited to the following activities:
(i)   approved restructuring plan for the Ministry of Women's Development, Social Welfare and Special Education (MWD) and the National Commission on the Status of Women (NCSW), clarifying their mandate and delineating the policy, legal, and financial requirements for strengthening their capacity to effectively play a strategic and catalytic role;
(ii)   approved restructuring of a province-specific plan for the Women's Development Directorate (WDD) delineating the policy, legal, and financial requirements for strengthening the provincial level set-up and establishment of an office at the district level mandated to deal with gender-related political, social and economic issues;
(iii)   approved plan for establishment of an office at the district level mandated to deal with gender-related political, social, and economic issues;
(iv)   approved changed management plan for MWD/NCSW/WDD and a capacity building plan for Federal, provincial, and district level institutions dealing with gender and social development issues;

(v)   approved National Program for Women's Political Participation encompassing all three political tiers of government, i.e., district government, provincial assembly, national assembly, and the senate;

(vi)   approved National Program for Employment of Women in Public Sector Organizations to implement the national commitment under the National Plan of Action; and

(vii)   sets of short- and long-term gender-related investment options for review and submission to the appropriate forums for consideration for incorporation into the Private Sector Development Plan and Annual Development Plan, or to be financed from a dedicated budgetary head under the Provincial Consolidated Fund.

Programme Benefits and Beneficiaries

The DSP will create an enabling environment for pro-poor service delivery and political representation by (i) supporting reforms to reorganize state structures and fiscal sharing arrangements, decentralize delivery of basic services, and improve the accountability of elected and administrative public officials; (ii) providing budget support to enable the Federal Government to bear the adjustment costs associated with intergovernmental fiscal restructuring, thereby underwriting predictable, timely, and transparent transfers to local governments; (iii) providing capacity building to clarify the necessary rules and regulations for improved intergovernmental coordination of programs and services; (iv) helping to sustain local autonomy by supporting improved fiscal information, policy analysis, and training systems to improve management decision making; (v) encouraging citizen engagement in planning and monitoring service delivery and increased access to information about local government affairs; and (vi) supporting a nationwide communications, strategic monitoring, and social audit process to systematically and publicly communicate and monitor the implementation of decentralization and, in particular, monitor changes in service accessibility and equity in the context of Poverty Reduction Strategy Paper commitments. The primary beneficiaries will be the men and women comprising local governments' constituencies who will be empowered to participate in a permanent set of planning and budgetary practices, in concert with accountable, elected local representatives, to decide upon the allocation of resources against their priorities for delivery of basic social, economic, administrative, and political entitlements.

Annex 7 - Overview of Staff Recruitment and Succession

National Project Director

Mr. Jamshed Hasan	24 July 2001 to 23 July 2002
Mr. Zafar Hasan	24 July 2002 to 18 August 2002
Mr. Muhammad Younis Javed	19 August 2002 to date

National Project Manager

Captain ® Mahmood	14 May 2001 to 31 May 2002	
Mr. Haroon Rashid Khan	01 June 2002 to 30 April 2003	
Mr. Shahid Tanveer	01 May 2003 to 04 June 2003	*ad interim*
Mr. Muhammad Tahir Orakzai	05 June 2003 to date	

Core Staff

Research Wing

Ms Irma Malik	Research Coordinator	16 July 2001 to 31 December 2003	
Mr. Altaf Afridi	Research Officer	16 July 2001 to not known	*resigned*
Mr. Ashraf Khan	Research Associate	16 July 2001 to 31 December 2003	

Training Wing

Mr. Shahid Tanveer	Training Coordinator	16 July 2001 to date
Mr. Wahid Anwar	Training Officer	16 July 2001 to date
Mr. Shafi-ur-Rehman	Training Associate	16 July 2001 to date

Monitoring & Evaluation

Ms. Faryal Nigah	M&E Officer	01 September 2003 to 29 February 2004

Information Technology Wing

Dr. Yahya M. Khwaja	IT Consultant	27 June 2003 to 26 December 2003
Mr. Umer Anwar Shaikh	IT Consultant	27 June 2003 to 26 December 2003
Mr. Abdul Momen Khan	IT Consultant	15 February 2003 to 31 Dec 2003

Administration Wing

Mr. Aftab A Jamil	Administrative Officer	01 July 2001 to 31 Dec 2003	
Mr. Fazal Khaliq Khan		01 January 2004	*in process*
Syed Yasin Shah	Senior Admin Assistant	01 January 1998 to date	
Mr. Essa Khan	Admin Clerk	01 July 2001 to date	
Mr. Muhammad Irfan	Accounts Clerk	01 July 2001 to date	

| Mr. Arshad Hussain | Computer Programmer | 16 July 2001 to date |
| Mr. Ali Asghar | ====== do ======== | 16 July 2001 to date |

Government Staff on Deputation

| Mr. Amar Afaq | Research Officer |
| Mr. Iqbal Shah | Accountant |