

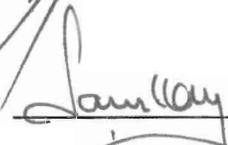
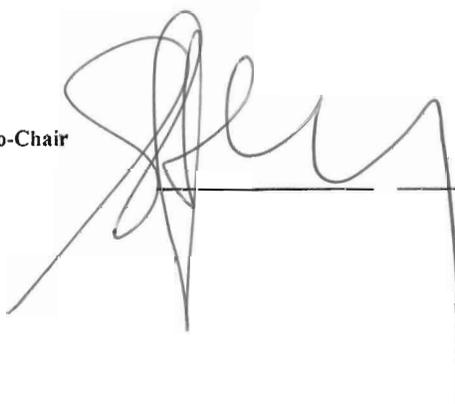
## Sierra Leone MDTF

### Fund Signature Page

*(Note: this page is attached to the programme<sup>1</sup> document)*

<p><b>Participating UN Organisation(s):</b> United Nations Development Programme UNDP United Nations Capital Development Fund (UNCDF)</p>	<p><b>Priority Area:</b> JV: Consolidation of Peace and Stability AFC: Chapter 8.3: Local Governance and Decentralisation</p>
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<p><b>Project Number:</b>  Joint Vision Programme 16</p>	<p><b>Programme Duration:</b> 12 months  <b>Estimated Start-Up Date:</b> January 2012</p>
<p><b>Project Title:</b> Local Governance and Decentralisation</p>	<p><b>Programme Location:</b> 4 Local Council Areas</p>
<p><b>Project Description:</b> The project will strengthen the capacity of the Ministry of Local Government and Rural Development to lead the process of decentralization and the capacity development of the local councils and to establish local economic development planning and investments with four partner local councils</p>	<p><b>Total Project Cost:</b> 1,722,420</p> <p><b>SL- MDTF:</b> UNDP: \$667,080 UNCDF: \$1,055,340 <b>Government Input:</b> \$0 <b>Other:</b></p> <p><b>GRAND TOTAL:</b> \$1,722,420</p>
<p><b>Development Goal and Key Outcomes:</b> Enhanced service delivery capacity of the Local Councils through participatory local governance and economic development planning</p>	
<p><b>Deliverables:</b> <u>Outcome 1:</u> Strengthen the capacity of the MLGRD to provide strategic leadership in the decentralization process <u>Outcome 2:</u> Enhanced capacity for inclusive local participatory development planning processes at the community level for improved local level pro-poor development and service delivery</p>	

<sup>1</sup> The term "programme" is used for projects, programmes and joint programmes.

	<i>* Signature</i>	<i>Date</i>	<i>Name/Title</i>
UNDP		<u>12/1/12</u>	Ms. Mia Seppo Country Director
UNCDF		<u>10 January 2012</u>	Mr. David Morrison Executive Secretary
DEPAC Co-Chair		<u>24/1/12</u>	Honorable Dr. Samura Kamara Minister of Finance and Economic Development
DEPAC Co-Chair		<u>Jan 18, 2012</u>	Mr. Vijay Pillai Country Manager World Bank
DEPAC Co-Chair		<u>24/01/2012</u>	Mr. Michael von der Schulenburg Executive Representative of the Secretary General of the United Nations

## Project Document

### **Executive Summary**

The UN will work together on three areas of Local Governance.

1. Support the process to have one plan per basic services which will combine the plans required by MOFED Local Governance Finance Division and the sector line ministries. This will ultimately (over some years) lead to all funding to a particular basic service going through one channel in government. This work will directly combine with the District Service Delivery Project (World Bank supported)
2. Support the process of capacity development of the Ward Development Committee and the Chiefdom Administration to be able to carry out their basic functions and provide upward accountability on service delivery and to have input into areas of policy that directly affect their lives
3. Support the capacity development of the data management by the technical offices for the basic social services, the Local Councils and the National Ministry of Local Governance and Rural Development (MLGRD)
4. Support the process of Local Economic Development Planning by the local councils and strategic investments that will boost the development of the economy within that local council area.

### **Situation Analysis**

Elected local government was introduced to Sierra Leone during the colonial times, but was suspended nationwide in 1972, where district councils ceased to operate and urban and municipal councils was appointed, and primary service delivery was centralized. In 2002, the government decided to re-establish elected councils, and to this end approved the Local Government Act (2004) and the National Policy on Decentralisation (2010).

The principles of the decentralization policy provides a solid basis for strengthening of democracy, through its focus on devolution, characterized by elected councils; the subsidiarity principle guiding service delivery; ensuring participation by women and men in the local development agenda; accountability of office bearers to the public; transparency and openness in public conducts; creation of an enabling environment for participatory democracy; stimulation of local economic growth including public-private partnerships; and promotion of inclusiveness regardless of gender, origin, religion or political persuasion.

Another concern is political participation by women, as only 53 (11.5%) out of the 475 local councillors are women. Several initiatives have taken place to improve participation by women in local politics. Oxfam conducted extensive training programmes before the last local election to prepare women candidates for the election process. Once elected, a series of training programmes have been made available to women councillors, among others from GELD.

Key challenges remains for the decentralisation process. At the institutional level, lack of leadership and strategic direction of the decentralisation process is a key issue, and one of great concern to the MLGRD. Further to this, a remaining challenge for local councils are the very limited funds available to address non basic service investments identified in the development planning framework and a strategic approach on which to base them. Activating the role of local councils in promoting local economic development, in line with their mandate, institutional systems, capacities and financial resources will be needed.

Donor support to decentralisation and local economic development in Sierra Leone can be characterised by the following: (i) A series of isolated efforts in a few districts, and while one nation-wide programme exists (DSDP), there is no national programme on decentralisation; (ii) Most support programmes are targeting a section of actors (for

example councils, but not central government; or farmers' access to markets but not local government's investments); (iii) Activities are compatible with little overlap; (iv) Few activities spans over several institutions (for example several ministries) and there is little coordination and collaboration across support programmes; (v) All actors realise the potential and need for coordination and harmonisation, and there is a positive donor environment; (vi) While there are several examples of parallel systems and structures, there is an increasing realisation and effort towards within existing systems and structures; (vi) Economic development in the agricultural sector is a key

## **Strategies including lessons learned and the proposed programme**

UNDP and UNCDF contribution will be implemented through the Local Governance and Economic Development Project (LGED). This project is designed to strengthen the decentralization process and support the capacity of local governments to enhance pro-poor local economic development.

The LGED-JP focuses on three major outputs: (i) strengthening the capacity of the Ministry of Local Government and Rural Development (MLGRD) to strengthen its strategic leadership in the decentralization process; (ii) strengthen capacity development at the local government level in financial management and planning, and to stimulate local economic development (LED) by local government initiatives; and (iii) to promote investment in pro-poor economic activities, and make critical public-private partnership investments in target districts to exploit the potential of important productive sectors and value chains. LGED-JP builds on experiences from the Kenema District Economic Recovery Programme (KDERP), but should not be seen as a roll-out of KDERP as adjustments to the KDERP approach need to be made to enable the partners to achieve the expected results.

Given the limited capacity in MLGRD and at the local government level, LGED ensures that all technical and financial support is provided in such a way that the systems and structures of existing institutions are strengthened in line with their mandates. In order to promote coordination and enhance complementarity, LGED builds on previous and on-going decentralization and local economic development activities promoted by other development partners, such as the Private Sector Development project of GIZ; the Institutional Reform Capacity Building Programme (IRCBP) and Decentralized Service Delivery Programme (DSDP) supported by the World Bank, EU and DFID; and the inclusive finance activities executed by MITAF and funded by UNCDF, UNDP and KfW. In its targeting of local economic development of relevance to women farmers and small scale businesses, the LGED-JP builds on the experiences developed through the Gender Equitable Local Development (GELD) activities. LGED-JP will promote extensive dialogue and collaboration between development partners and with key MDAs to strengthen coordination and collaboration in decentralization and pro-poor local economic development, with the aim to start the process to harmonize decentralization support towards one overall national programme on decentralization.

The beneficiaries of the Local Economic Development are small and medium scale economic actors, with a focus on women and youth. LGED provides funding for planning and LED investment by four local councils through public-private partnership investments in infrastructure, the regulatory environment, human skills and attracting inward investment of relevance to key productive sectors and value chains. LGED supports the roll out of the LED approach across all local councils

## **Results framework**

The DAO allocation will be used within the Local Governance and Economic Development

project to support the following:

UN Joint Vision Deliverable 16.1.1: *Decentralization Policy Operational*

Decentralization:

The development of the Decentralization Policy (in mid 2011) was an important development in the process of the decentralization of government. Up to that point the decentralization process had been within the framework of the Local Government Act (2004) and lacked the detailed implementation guidance of a policy. Now that there is a policy, it is necessary for all the functionaries in the Local Councils and in the MLGRD to be aware of the roles, responsibilities and functions of the Local Councils and Central government. Thus the LGED project will support the roll-out of the Decentralization Policy. Specifically, in 2012, the project will:-

- Provide technical support to design the strategy for the comprehensive roll-out of the Decentralization Policy
- Design a training programme for Local Council staff on the roles and functions as set out in the Decentralization Policy
- Strengthen the MLGRD to coordinate all activities with regard to decentralization and capacity development of the Local Councils

Local Council Association:

The Local Council Association (LOCASL) was formally established in October 2011. The Association has the potential to be a very influential body in local government. It has an executive committee and constitution. The LGED project will collaborate with the Commonwealth Local Government Forum, to support the development of the Association. Specifically, in 2012, the project will:-

- Support the Local Council Association of Sierra Leone (LOCASL) to establish a Secretariat and train the secretariat staff

UN Joint Vision Deliverable 16.1.8: *The Capacity of the Traditional Administration to undertake its functions enhanced*

The Chieftdom component of Local Governance has been formalized into the local governance system with the new Chieftdom and Traditional Administration Policy. This will be followed by a Chieftaincy Act. The Chieftdom and Traditional Administration has received very little technical support over the last three decades. Consequently, there is considerable need to build the capacity of this administrative unit. The capacity development process will begin with training on basic skills of administration and reporting. It will later increase the complexity of the skills and progressively, over the next five or more years, become computerized. Specifically, in 2012, the project will:-

- Support to MLGRD to disseminate the new Chieftdom and Traditional Administration Act and the Local Government Act
- Coordinate a common approach to capacity development of the Chieftdom and Traditional Administration by other projects such as those supported by GIZ and JICA
- Train the Treasury Clerks (149) and Central Chieftdom Finance Clerks (12)

UN Joint Vision Deliverable 16.1.9: *District Local Economic Development Plans developed in 13 districts*

Local Economic Development is supported technically by both UNCDF and UNDP, with UNCDF taking the lead. In the supportive role, UNDP will work on two areas where it already has experience. Based on the work undertaken in Kenema City UNDP and UNCDF will support the development of a property cadastra in four more local councils. The cadastra

will enable a local council to systematic collect property tax. Finally, by the end of the year there will be a study of the experiences from the year's work to learn lessons that can be applied going forward with the current partner local councils and the expansion of LED to all the local councils. Specifically, in 2012, the project will:-

- Establish a fiscal cadastra system in 4 local councils
- Undertake Strategic Environmental Assessments in 4 local councils
- Carry out a Lessons Learned Study on LED and disseminate the findings

In order to support Local Governments in effectively performing their functions related to LED, UNCDF will organize awareness workshops aiming to establish a common understanding on LED concepts. Counterparts will be trained on LED tools as well and LG supported for designing and adopting LED sensitive development plans.

Technical support will be provided through international and national consultants

#### UN Joint Vision Deliverable 16.1.10 : District Economic Development Projects operational in three Districts

A Local Development Fund will be established to fund LED related investments in selected Districts with UNCDF support.

An assessment of the environmental situation will be done prior to investments in any one local council area, and will form the basis of an environmental impact assessment of any large economic enterprise. Such assessments are essential to ensure the sustainability of the environment as the local economy grows.

### **Management and coordination arrangements**

Roles and responsibilities for managing LGED-JP are assigned at three levels: (i) responsibility for policy guidance and high level monitoring of the programme implementation (do the activities address the outputs); (ii) Responsibility for overall implementation of the programme; and (iii) responsibility for implementation of the programme components

Responsibility for policy guidance and high level monitoring of LGED-JP is assigned to the LGED-JP Steering Committee (SC). Responsibility to provide regular implementation guidance for the programme lies in the Programme Management Group (PMG), which is composed of the UNDP and UNCDF senior management, and is tasked with providing overall guidance to the Technical Working Group on funding, management arrangements, technical backstopping, and other issues that will need to be addressed among the UN agencies in the joint programme. Responsibility to implement the programme rests with the TWG, consisting of UNDP and UNCDF technical staff, consultants to the ministries, and ministry staff tasked with implementation of the LGED-JP

### **Fund management arrangements**

The LGED project is financed by UNDP and UNCDF with in kind contribution from the Government of Sierra Leone. The funding arrangements are a combination of parallel funding and pass-through.. Donor contributions will be pass-through or parallel, depending on what arrangements the development partners can agree to. Under the pass-through option, UNDP will be the administrative agent for donor pass-through funds, given UNDP's country presence and its financial and administrative capacity and ability to interface between the Sierra Leone Government, development partners and UNCDF.

Based on agreement of the joint programme coordination mechanisms identified at country level, the AA will negotiate and sign a Letter of Agreement with the donor(s) in respect of the joint programme. The AA will sign a Memorandum of Understanding (MOU) with the participating UN organisation. Each UN organization participating in the joint programme will programme and manage activities and

funds in line with its established rules and regulations.

Under the parallel funding option, each organisation manages its own activities within the common workplan and related budget, whether from Regular or Other Resources. The common workplan clearly indicates the activities to be supported by each of the participating UN organisations. The programmatic and financial accountability will rest with the participating UN organisations and (sub) national partners that would be managing their respective components of the joint programme. Funding arrangements under this option follow each agency regulations and rules for individual programming and project processes.

## Monitoring, evaluation and reporting

LGED project will provide quarterly and annual reports in line with reporting requirements and formats. There will be a lessons learned study at the end of 2012 to give direction to the project moving forward. There will be a formal evaluation in 2014.

## Legal Context or Basis of Relationship

The signed Project Document (signed 7<sup>th</sup> July 2011) together with the signed UN Joint Vision, and the Standard Basic Assistance Agreement between the Government of Sierra Leone and the United Nations Development Programme, signed by the parties on 4 January 1978, provides the legal basis for the LGED project.

## UNDP/UNCDF Workplans and budgets

UN Joint Vision Deliverable	Activity	UNDP Budget	UNCDF Budget
16.1.1: <i>Decentralization Policy Operational</i>	design the strategy for the comprehensive roll-out of the Decentralization Policy	25,000	
	Design a training programme for Local Council staff on the roles and functions	15,000	
	coordination of decentralization and capacity development of the Local Councils	5,000	
	Support the Local Council Association of Sierra Leone	20,000	
<b>Sub total</b>		<b>65,000</b>	
16.1.8: <i>The Capacity of the Traditional Administration to undertake its functions enhanced</i>	disseminate the new Chiefdom and Traditional Administration Act and the Local Government Act	90,000	
	Train the Treasury Clerks (149) and Central Chiefdom Finance Clerks (12)	185,000	
<b>Sub total</b>		<b>275,000</b>	
16.1.9: <i>District Local Economic Development Plans developed in 13 districts</i>	Establish a fiscal cadastra system in 4 local councils	110,000	
	Carry out national workshop and awareness on LED concepts		40,000
	Develop LED tools and build capacity on LED		85,000
	Carry out a Lessons Learned Study on LED and disseminate the findings	30,000	
16.1.10 : <i>District Economic Development Projects operational in three Districts</i>	Undertake Strategic Environmental Assessments in 4 local councils	80,000	85,000

	Establish a Local Development Fund for LED investments		666,299
Sub total		220,000	
Project Support		63,439	110,000
<b>Total Direct Project costs</b>		<b>623,439</b>	<b>986,299</b>
<b>Indirect costs</b>		<b>43,641</b>	<b>69,041</b>
<b>Grand Total</b>		<b>667,080</b>	<b>1,055,340</b>

<b>PROJECT BUDGET UNDP</b>	
<b>CATEGORY</b>	<b>AMOUNT</b>
<b>1. Supplies, commodities, equipment and transport</b>	<b>271,200</b>
<b>2. Personnel (staff, consultants and travel)</b>	<b>182,239</b>
<b>3. Training of counterparts</b>	<b>125,000</b>
<b>4. Contracts</b>	<b>45,000</b>
<b>5. Other Direct Costs</b>	<b>0</b>
<b>Total Programme Costs</b>	<b>623,439</b>
<b>Indirect Support Costs (7% of total programme cost)</b>	<b>43,641</b>
<b>TOTAL</b>	<b>667,080</b>

<b>PROJECT BUDGET UNCDF</b>	
<b>CATEGORY</b>	<b>AMOUNT</b>
<b>1. Supplies, commodities, equipment and transport</b>	<b>15 000</b>
<b>2. Personnel (staff, consultants and travel)</b>	<b>72, 000</b>
<b>3. Training of counterparts</b>	<b>145,000</b>
<b>4. Contracts</b>	<b>88,000</b>
<b>5. Other Direct Costs (Grants)</b>	<b>666 299</b>
<b>Total Programme Costs</b>	<b>986 299</b>
<b>Indirect Support Costs (7% of total programme cost)</b>	<b>69 041</b>
<b>TOTAL</b>	<b>1 055 340</b>