



United Nations Development Programme

LOCAL GOVERNANCE IN COMPLEX ENVIRONMENTS

A DGTTF COMPARATIVE EXPERIENCE NOTE
COVERING DGTTF PROJECTS IN IRAQ, LEBANON, OCCUPIED
PALESTINIAN TERRITORY, SOUTHERN SUDAN AND YEMEN

The DGTTF Lessons Learned Series

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The report is a partnership of the Oslo Governance Centre-Democratic Governance Group and the Regional Centre in Cairo.

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Design, layout and production by Phoenix Design Aid A/S, Denmark. ISO 14001/ISO 9000 certified and approved CO2 neutral company – www.phoenixdesignaid.dk. Printed on environmentally friendly paper (without chlorine) with vegetable-based inks. The printed matter is recyclable.

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A DGTTF COMPARATIVE EXPERIENCE NOTE

Covering DGTTF Projects in Iraq, Lebanon, Occupied Palestinian Territory, Southern Sudan and Yemen

The DGTTF Lessons Learned Series

Preface


Local governance is without any doubt a site of contestation in conflict and fragile countries coming to grips with reconstruction, peacebuilding and statebuilding processes. Even more than in other settings, local governance programming in 'complex political environments' has to be adapted to local dynamics and how these may strengthen or threaten the building of a legitimate, capable and accountable State.

In this regard, it is paramount to document and learn from its past experiences for UNDP to improve its support to local governance processes, institutions and actors in complex political environments. This includes small-scaled projects financed by the Democratic Governance Thematic Trust Fund (DGTTF), which since 2001 has been supporting UNDP Country Offices testing out innovative and risky governance approaches with catalytic potential.

This Comparative Experience Note analyzes the results of DGTTF local governance projects in five complex political environments in the Arab States region – Iraq, Lebanon, Occupied Palestinian Territory, Southern Sudan and Yemen. Building on individual project assessments and a review of the literature on the topic, this Note sheds light on:

- Contributions of the DGTTF projects to the local governance agenda;
- Challenges related to these complex settings;
- Linkages between local governance programming and broader statebuilding and peacebuilding processes;
- Lessons of relevance to local governance programming in the Arab region from a conflict-sensitive perspective.

Taking the above questions as point of departure, this Note puts forth several key findings and recommendations of relevance to both DGTTF strategy but also to broader local governance interventions at the policy, programme and project levels.



This Comparative Experience Note demonstrates that, in spite of political sensitivities around local governance in complex environments risky projects such as those funded by the DGTTF can still be innovative and have an impact in such settings - by, for example, planting ideas, fostering partnerships, generating dialogue or developing new tools and enhancing capacities. Some projects paved the way for larger governance programmes with the potential to lead to transformational change in local governance. Others have demonstrated the difficulties in democratic governance programming in fluid environments where there are inherent dilemmas between statebuilding, legitimacy and representation.

This summary report on Local Governance in Complex Environments in the Arab States region is the first of a series of Comparative Experience Notes published as part of the DGTTF Lessons Learned Series, a collective effort to capture lessons learned and best practices in a systematic manner, to be shared with all stakeholders, and to inform future UNDP policy and programming processes.

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Executive Summary



This report analyses and draws lessons from a pool of Democratic Governance Thematic Trust Fund (DGTTF) projects implemented in conflict-contexts in the Arab region from 2002 to 2008 to gain a better understanding of the contributions and limitations of local governance programming in complex political environments from a conflict-sensitive perspective.

It is based on key findings and lessons learned from assessments of six DGTTF projects on local governance in Iraq, Lebanon, Occupied Palestinian Territory (oPt), Southern Sudan and Yemen.

The report addresses several interrelated questions:

- What were the main contributions of the DGTTF projects to the local governance agenda in these complex political environments?
- What challenges and limitations did the DGTTF projects face in these difficult contexts?
- How did support for local governance link to early recovery, reconstruction, peacebuilding, statebuilding and nationbuilding challenges, which are particularly salient in conflict contexts?
- How can the DGTTF and United Nations Development Programme (UNDP) as a whole build upon these findings in supporting local governance programming from a conflict-sensitive perspective?

Although it is based primarily on a desk review of DGTTF project assessments (which were informed by field missions) the report is grounded in the larger policy and academic research on local governance in conflict contexts. It also builds upon and complements other analytical studies and assessments in the Arab region.¹

The six projects reviewed in this report were short-term, stand-alone initiatives. In line with DGTTF guidelines, they were mainly pioneering efforts aimed at improving local governance through catalytic activities and innovative policies, tools or mechanisms. They represented a spectrum of initiatives encompassing review and reform of policies and legislation, capacity and tools development, meetings, workshops and consultations, policy dialogues with central or local authorities, partnerships with key stakeholders, and mechanisms for systematic experience sharing, networking

¹ In specific, it serves as a companion to the UNDP Regional Centre in Cairo (RCC) discussion paper on 'Re-thinking Approaches to Local Governance Programming in Conflict-affected Countries in the Arab Region'. Jointly, these studies seek to stimulate critical analysis and forward-looking thinking on the most effective use of development assistance, including DGTTF projects, in supporting local governance in conflict contexts.



and learning. Significantly, they were also part of a larger local governance agenda and were implemented in complex political environments.

Project-level assessments of these diverse initiatives reveal that all six projects registered partial to full achievement of their intended results despite the difficult environments in which they were undertaken. However, DGTTF projects are also expected to be pioneering and innovative initiatives with catalytic impact on contributing to more effective local governance in their respective contexts. Thus, a fuller understanding of these projects requires an analysis of their interplay with the larger political context in which they were implemented; the perspective of local governance in complex political environments provides important insights:

- Initially designed to promote development, local governance programming has increasingly been applied in conflict contexts where it has become intertwined with larger issues of peacebuilding, statebuilding and nationbuilding.
- In conflict contexts, reform initiatives are particularly difficult to move forward. Nonetheless, innovative, catalytic projects can make a difference by planting ideas, fostering partnerships, generating dialogue, sharing experiences, creating a critical mass of people working on similar issues, building new tools, capacities and new greater technical expertise.
- Timing and momentum are critical for catalytic effect. However, sustainability is often hampered by larger political factors.
- In several cases, early recovery and reconstruction contexts have provided useful entry points for DGTTF projects to support local governance and decentralization programming by building trust and relationships.

The overarching conclusion of this report is that in countries grappling with internal conflict, local governance is one of the most sensitive areas of contestation. Thus, going beyond the traditional development aid criteria such as effectiveness, efficiency, relevance and sustainability, local governance programming needs to be designed and implemented through conflict-sensitive lenses. This finding has direct implications for DGTTF as well as for local governance programming in conflict contexts as follows:

- Although designed as a venture capital fund promoting innovation, DGTTF's success depends upon the opportunity to build on the initiatives it supports. Thus, DGTTF should pay closer attention to the criteria for sustainability of its investments in conflict contexts.
- While individual projects might have merit, their opportunity cost in these contexts should be given serious consideration in project selection.
- It is imperative to incorporate conflict analysis and conflict sensitivity in DGTTF programming to enable DGTTF projects to better tailor their methodology to conflict dynamics. At a minimum, this would avoid the risk of doing harm.
- In conflict contexts, there has to be a closer interaction between DGTTF projects and the larger local governance/governance programme. Given their openness to risk taking, DGTTF projects are particularly suitable to kickstart or test innovative efforts without incurring major costs.
- DGTTF projects in conflict contexts need to have more realistic, flexible parameters to adapt to highly unpredictable circumstances in order to rapidly revise their goals, time frames and implementation strategies.
- Given their pioneering role, in complex political environments DGTTF projects should incorporate an ongoing analysis and evaluation component with a serious effort to monitor conflict issues in their own domains.
- For cumulative learning, more effort should be made to keep electronic archives to avoid the dissipation of knowledge with the high turnover of project staff or change of offices due to insecurity or instability.
- DGTTF is not the only multidonor funding mechanism that supports politically sensitive, discrete, timebound projects in politically complex contexts. The United Nations Democracy Fund, the United Nations Peacebuilding Fund, the Crisis Prevention and Recovery Thematic Trust Fund and the World Bank's State and Peacebuilding Fund all have similar aims. Thus, there is an untapped potential for more systematic exchanges between these different funds to avoid duplication and to foster collective learning.

1. Introduction



Development institutions are increasingly concerned about the impact and sustainability of development assistance efforts in contexts of conflict and fragility. There is a growing body of knowledge on the nexus between conflict, fragility and development and rapidly evolving principles and guidelines for working in such difficult environments.

Building on the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee's (DAC) early work on 'Helping Prevent Violent Conflict' (1997 & 2001) and the 'Paris Declaration on Aid Effectiveness' (2005), recent guidelines include the 2007 'Principles for Good International Engagement in Fragile States and Post-conflict Situations', the 2008 'Accra Agenda for Action', and the 2010 'Dili Declaration on Peacebuilding and Statebuilding'.² These international agreements underscore the importance of incorporating conflict issues into development work in contexts of conflict and fragility. Concurrently, development actors are undertaking retrospective and prospective reviews of development policies and practices with conflict-sensitive lenses.

In line with good international practice, **this report brings together key findings and lessons learned from country-specific assessments of six DGTF projects on local governance in Iraq, Lebanon, Occupied Palestinian Territory, Southern Sudan and Yemen in order to better understand their contributions and limitations from a conflict-sensitive perspective.**³ These projects share two common ingredients: a) an explicit focus on local governance as an area of development interventions in the Arab region and b) implementation in highly fluid and precarious 'complex political environments'.⁴ The growing interest among development actors in working in conflict contexts makes these projects particularly useful to examine retrospectively with a view to distilling comparative lessons. Drawing on the individual DGTF project assessments, this study reviews these projects within the broader context of local governance programming in situations of conflict in the Arab region.

² These documents are available at the OECD website, www.oecd.org.

³ The evaluation of the DGTF in 2007 strongly underscored the need for more systematic assembling, analysis and dissemination of lessons from DGTF projects. See, UNDP, *Evaluation of the Democratic Governance Thematic Trust Fund, Consolidated Report*, May 2008. All projects covered here were undertaken either as part of the evaluation study or as a direct follow-up. For the individual DGTF assessment reports, see UNDP Oslo Governance Centre website (www.undp.org/oslocentre) and UNDP Democratic Governance Group website (www.undp.org/governance).

⁴ Since the case studies covered in the report have experienced different types of conflict and find themselves at different phases of conflict, the term 'complex political environment' is used to encompass a wide spectrum of latent, ongoing and post- conflict context.

The report addresses several interrelated questions:

- Based on the individual assessments of the DGTTF local governance projects in Iraq, Lebanon, oPt, Southern Sudan and Yemen, what were their contributions to the local governance agenda in complex political environments?
- What challenges and limitations did these projects face in these difficult contexts?
- How did support for local governance link to larger challenges of early recovery, reconstruction, peacebuilding, statebuilding and nationbuilding, which are particularly salient in these contexts?
- How can the DGTTF and UNDP build upon these findings to support local governance programming in the Arab region from a conflict-sensitive perspective?

Although this study is based primarily on a desk review of DGTTF project assessments, which were informed by field missions, the analysis is grounded in the larger policy and academic research on local governance in conflict contexts. The report also builds upon and complements various other analytical studies and assessments that were undertaken in the Arab region.⁵ In specific, it serves as a companion to the UNDP/RCC discussion paper on 'Re-thinking Approaches to Local Governance Programming in Conflict-affected Countries in the Arab Region'.⁶ Collectively, these studies aim to stimulate critical analysis and forward-looking thinking on the most effective use of development assistance, including DGTTF projects, in supporting local governance in conflict contexts.

The report consists of four sections. The first section provides an overview of the stated goals, achievements and contributions of the DGTTF projects on local governance. The second section examines the complex environment within which these projects were designed and implemented in order to understand the

5 These include the programme *Evaluation of the DGTTF*; the Bureau for Crisis Prevention and Recovery (BCPR) Series, *State-building for Peace in Countries Emerging from Conflict: Lessons Learned for Capacity Development*; and the joint Democratic Governance Group (DGG)/Oslo Governance centre (OGC)/Regional Centre in Cairo (RCC) DGTTF assessments of local governance projects.

6 *Re-thinking Approaches to Local Governance Programming in Conflict-affected Countries in the Arab Region: An Exploratory Study*, by Heba el-Kholy and Necla Tschirgi (UNDP/RCC, forthcoming, 2010)

interplay between the project and the conflict context. The third section describes some of the challenges and limitations these complex environments pose for local governance programming in the Arab region. The final section distils key lessons and offers recommendations for future programming.

2. Objectives and Achievements of DGTTF local governance projects under review



Governance programming has been growing steadily in the Arab region, totalling more than US\$ 167 million in 2009. Of this amount, almost two-thirds were in conflict-affected Arab countries and territories. Within governance programming, local governance constitutes an important entry point.

From 2002 to 2009, local governance and decentralization⁷ ranked the highest among all democratic governance focus areas supported by DGTTF in terms of allocated amounts, a clear indicator of the strong demand for local governance programming in the Arab region.

Stretching from 2002 to 2008, the six projects reviewed in this report totalled US\$ 1,185,000 — with budgets ranging from a low of US\$ 100,000 to a high of US\$ 485,000. The six local governance projects share several features:

- they were short-term projects with relatively modest resources;
- they were stand-alone initiatives although they were expected to be part of a larger local governance agenda to have sustainability;
- they were mainly pioneering efforts aimed at improving local governance through catalytic activities, pilot projects, and innovative policies, tools or mechanisms;
- they represented a spectrum of initiatives involving a) review and reform of policies and legislation, including resource allocations at sub-national levels; b) capacity and tools development (including needs and capacity assessment, integrity tools, training and consultations); c) meetings, workshops and consultations; d) policy dialogues with central or local authorities; e) partnerships with key stakeholders such as Ministries and local authorities; f) mechanisms for systematic experience sharing, networking and learning;
- they were designed and implemented in complex political environments.

By design, DGTTF projects are expected to be of short duration, employ modest funding and play an innovative and catalytic role in contributing to longer term

⁷ Together with urban/rural development, local governance and decentralization made up one of the service lines under which UNDP structured its democratic governance assistance in the past. Accordingly, this report uses the terms decentralization and local governance interchangeably as it deals with past projects falling under the service line structure. For a characterisation of these concepts, see UNDP, *Democratic Governance Reader – A Reference for UNDP Practitioners*, New York and Oslo, 2009, pp. 173–195.



impact and sustainability. The DGTTF Guidelines define innovation and catalytic projects in the following fashion:

- An **innovative project** addresses a critical democratic governance issue, recognised as such by the Government and other donors or partners. It is an initiative previously not attempted in the country concerned. The DGTTF project is expected to be riskier or less certain of success than a ‘traditional’ project. Carrying out the innovation is intended to help position UNDP as a key player in democratic governance in terms of ‘pushing the frontier’.
- A **catalytic project** is characterised as having a high likelihood of receiving support from Government or other governance institutions.

Under DGTTF criteria, projects are not tailored to address conflict issues.⁸ Accordingly, the individual project assessments on which this report is based focused on other important criteria such as effectiveness, efficiency, sustainability, innovation, catalytic effect, relevance and strategic positioning.⁹

Findings across the case studies confirm that these projects played a constructive role despite the difficult circumstances in which they were implemented. All six projects registered partial to full achievement of their intended results.¹⁰ They all involved some degree of innovation and played a catalytic role. All ran into various implementation difficulties as a result of the constraints of the project (e.g. limited funding, short duration) and the larger political context (e.g. security concerns, lack of access). In each case, sustainability remains an issue largely because of continuing political instability and fragile governance systems in the country/territory.

8 For further information, see UNDP, *Evaluation of the Democratic Governance Thematic Trust Fund, Consolidated Report*, May 2008.

9 Not all assessments used the same criteria. The variations in the assessment reports were partly due to their timing and their authorship. The Yemeni report was the earliest and was part of a joint assessment of several DGTTF projects undertaken by a team. The Iraq / Lebanon and the oPt assessments were undertaken by two separate two-person teams, using a conflict and political economy approach. The Southern Sudan assessment was the last and was carried out by an individual who also used a conflict and political economy approach. However, there is considerable similarity among them, especially the first four cases, which used a similar methodology.

10 Since there was not sufficient information, a seventh DGTTF project in Lebanon on Municipal Development is not included in this review.

Table 1: Synopsis of the reviewed DGTTF project in Lebanon

Project title	Promotion of Decentralization and Local Governance ¹¹
Duration	2002-2003
Funding	125,000 US \$ from DGTTF
Aim	<ul style="list-style-type: none"> • Establish policy and regulatory framework for decentralization and enhanced capacity within Ministry for designing and implementing this framework • Strengthen capacity of municipalities to implement community development projects
Results	<ul style="list-style-type: none"> • Policy advisory study and draft law on decentralization • Policy dialogue with local authorities • Training of municipalities on strategic management • Partnerships

The project on **Promotion of Decentralization and Local Governance in Lebanon** was implemented at a time when the country office was already working at the local level, especially with internally displaced people.¹² Its main contributions were in contributing to policy dialogue, establishing partnerships with municipalities, serving as a pilot for technical support and laying the foundations for larger projects. It was innovative in so far as it involved a pioneering joint initiative by UNDP and the government, provided entry points to tackle local governance support to Millennium Development Goals, and helped to foster dialogue and capacity building. However, a draft law on decentralization that was prepared under the project has yet to be enacted and local governance remains a highly sensitive area.

¹¹ After completion of this project, additional DGTTF funding was provided for the project on Municipal Development for Local Empowerment. Implemented in 2004 and building on the Promotion of Decentralization and Local Governance, the second DGTTF project sought to strengthen the capacity of municipalities. This project was apparently folded into an ongoing project. Thus, it was not independently assessed especially since there was little corporate memory.

¹² See UNDP, *Lebanon – Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

Table 2: Synopsis of the reviewed DGTF project in Yemen

Project title	Decentralization and Local Governance
Duration	2003
Funding	125,000 US \$ from DGTF
Aim	<ul style="list-style-type: none"> • Support to Government of Yemen to implement a decentralized Local Government system under Local Authority Law of 2000
Results	<ul style="list-style-type: none"> • Pilot capacity building in six districts • Draft national strategy

In **Yemen**, the **Decentralization and Local Governance** project was a preparatory project, set up as a first step to support the government in implementing a democratic and decentralized local governance system.¹³ While it received less DGTF funding than requested, it had additional core funding. Both the short time frame and resource constraints posed serious limitations. Nonetheless, the project is considered to have been highly successful. It was innovative in piloting capacity building in six districts as the first step in implementing the Local Authority Law of 2000. These pilot initiatives served as entry points as well as important opportunities to learn about capacity constraints. The project was catalytic in attracting additional donor funding to expand the pilot capacity building initiatives from 6 to 48 out of a total of 333 districts. Additionally it positioned UNDP to become a leader on decentralization in Yemen, leading to a fully-fledged Decentralization and Local Development Support Project (DLDSP) from 2003 to 2009 followed by a successor project starting from 2010 to 2014.

¹³ See UNDP, *Evaluation of the Democratic Governance Thematic Trust Fund – Country Study: Yemen*, New York, 2007.



Table 3: Synopsis of the reviewed DGTTF projects in Southern Sudan

Project title	Support for Development of Policies & Legislation for Local Government
Duration	2005
Funding	200,000 US \$ from DGTTF
Aim	<ul style="list-style-type: none"> • Consultation with Traditional Authorities to include them into Local Government framework • Design Local Government Recovery Programme to provide support to develop/ implement Local Government Act
Results	<ul style="list-style-type: none"> • Local Government Act informed by formal consultations with Traditional Authorities • Design of the Local Government Recovery Programme

Project title	Strategy for Mainstreaming Gender Empowerment in Local Government
Duration	2006-2008
Funding	485,000 US \$ from DGTTF
Aim	<ul style="list-style-type: none"> • Mainstream gender in Local Government Recovery Programme • Ensure coordination/collaboration with other programmes
Results	<ul style="list-style-type: none"> • Baseline study • Strategy development • Local Government Gender policy framework • Network of gender focal points • Gender modules and tool kits

The two projects in **Southern Sudan** had distinct goals and time frames. The project on **Support for the Development of Policies and Legislation for Responsive, Accountable and Equitable Local Government in Southern Sudan** was assessed as both innovative and catalytic.¹⁴ It successfully put in place formal consultation mechanisms through which traditional authorities could participate in decision-making. It also informed the development of a local governance framework in Southern Sudan, which was promulgated a few years later. The catalytic effect of the project is manifested in the active participation of traditional authorities in ongoing local planning and budgeting activities. Thus, although it was slow to start and operated in a demanding environment, the project was implemented successfully. The project on **Strategy for Mainstreaming Gender Empowerment in Local Government in Southern Sudan** received the largest resources of all the DGTTF projects reviewed here. It built upon two earlier gender programmes and as such was not considered pioneering or catalytic. Nonetheless, it generated a number of useful outputs including databases, trained staff and policy guidelines and a greater awareness of gender issues. Its network of gender focal points was, however, unable to continue due to lack of funding.

¹⁴ See UNDP, *Southern Sudan – Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

Table 4: Synopsis of the reviewed DGTF project in Iraq

Project title	Post constitutional Support to Decentralization and Local Governance Initiatives
Duration	2006-2007
Funding	100,000 US \$ from DGTF
Aim	<ul style="list-style-type: none"> • Strengthen local governance capacities in 18 governorates
Results	<ul style="list-style-type: none"> • Nation-wide needs assessment of capacity of local authorities to deliver services • A capacity development action plan based on best practices

The project on **Post-constitutional Support to Decentralization and Local Governance Initiatives in Iraq** involved a needs assessment of the capacity of local governments to deliver services to the local population. The project not only undertook a nation-wide needs assessment in all 18 governorates but it also prepared a capacity development action plan with detailed recommendations.¹⁵ Since it was conducted solely by an Iraqi professional association, the project was able to overcome the difficulties of working in an extremely precarious security environment. According to the assessment report, the DGTF project served to build the ground for a larger decentralization and local governance project with a budget of approximately US \$6 million, which was in turn a contributor to a wider project on public sector reform. In addition, the project's action plan has been adopted by the Ministry of Municipalities and Public Works. Thus, the project is considered to have been highly innovative, catalytic and sustainable.

¹⁵ See UNDP, *Iraq – Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

Table 5: Synopsis of the reviewed DGTF project in oPt

Project title	Promoting Local Governance Integrity in oPt
Duration	2007-2008
Funding	150,000 US \$ from DGTF
Aim	<ul style="list-style-type: none"> • Create enabling environment to promote integrity systems at local level
Results	<ul style="list-style-type: none"> • A participatory integrity tool • Application of the tool in 30 localities • An intervention plan

Finally, in the **Occupied Palestinian Territory**, the project on **Promoting Local Governance Integrity in the Occupied Palestinian Territory** sought to contribute to government integrity at the local level through the design and application of a participatory tool to assess the integrity, accountability and transparency of local authorities as well as the development of an intervention plan.¹⁶ The project was deemed successful on the design and partial application of the tool, but the intervention plan was not achieved due to unanticipated internal and external challenges. The project was innovative in addressing a critical democratic governance deficit but its catalytic impact remains to be seen.

Based on individual project assessments, the brief summary above demonstrates that all six projects achieved many of their goals despite various constraints. This is largely due to the fact that they had fairly narrow and timebound goals.

However, these projects were also expected to be pioneering and innovative initiatives with catalytic impact on contributing to more effective local governance in their respective contexts. On the basis of current analysis, it is fair to say that all five cases are still struggling with serious political problems, which are reflected in the slow pace and complicated nature of their local governance and decentralization reforms.

While the situation in each context is fluid, the local governance agenda remains extremely sensitive to broader challenges of state, nation, democracy and peace

¹⁶ See UNDP, *Occupied Palestinian Territory – Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

building, with only limited (and in some cases negative) developments. Given their specific design (e.g. short-time span and relatively small funding) it would be unfair to assess the degree of success of DGTTF projects in light of a country's headway towards local governance reforms. On the other hand, it would be highly artificial to view them in isolation from their broader context.

Thus, the following section reviews the evolution of the political environment in each of the five cases before turning to a review of the challenges and limitations this context has imposed on the DGTTF projects in specific and local governance programming more broadly.

3. Local Governance in Complex Political Environments



Most conflicts are complex, multi-faceted and have far-reaching impacts on individuals, communities, institutions and states. The discussion in the following pages focuses specifically on the interplay between local governance and violent conflict as these bear primarily upon the DGTTF projects under review.¹⁷



Conflict is by definition a breakdown of governance, while sustainable peace depends on the restoration of governance structures and processes.¹⁸ Thus, support for effective, inclusive and responsive governance is an essential ingredient for peace-building as well as for state-building and nation-building, which have emerged as parallel imperatives in many contemporary conflicts. Although a subset of the larger governance problem, local governance poses special challenges in complex political environments. This is mainly because of the fragile nature of the state and its problematic relationship with both society and lower levels of authority. In such contexts, local governance becomes a particularly sensitive domain of contestation between central and local authorities as well as among competing social groups and agendas. This was indeed the case in the five conflicts contexts reviewed in this report.

At the time of the main DGTTF project in 2002-2003, **Lebanon** was still recovering from its fifteen year civil war that ended with the Ta'ef Reconciliation Accord of 1989 (hereinafter the 'Ta'ef agreement'). While providing for 'a democratic parliamentary republic', the Ta'ef agreement reinforced the country's intricate confessional system that distributes power among 17 religious sects. Declaring Lebanon to be a 'single and unified state with a strong central authority', it also expanded the power of the governors and district administrative officers while calling for administrative decentralization to promote local participation. The peace agreement led to parliamentary and municipal elections, the disbanding of most of the militias, and the expansion of government control over most of the country. Although rehabilitation and economic activity resumed quickly, political stability proved difficult to achieve with sporadic violence, political assassinations, rapid turnover of governments, sectarian tensions, and a range of domestic and external tensions. By 2001, the country faced a deep economic crisis, repercussions of regional and global instability after September 11, and serious governance challenges.

In this precarious context, the administrative reforms called for under the Ta'ef agreement proceeded slowly. While a number of administrative decentralization

17 This section draws extensively on the individual DGTTF project assessments, the country reports on Iraq, Lebanon, oPt and Yemen and the regional report on *Re-thinking Approaches to Local Governance Programming in Conflict-affected Countries in the Arab Region* by el-Kholy and Tschirgi, op.cit.

18 There is heated debate in the literature on what type of governance is essential for peace. Shunning unrealistic ideal types, analysts are increasingly calling for 'good enough governance'.

proposals were presented for discussion after 1995, a decentralization law was still pending at the time of the DGTTF project. Thus, the project was seen as an innovative, highrisk and politically sensitive intervention with potentially catalytic effects. As of 2010, the draft decentralization law produced under the project has yet to be enacted and decentralization remains a hotly contested topic.¹⁹ Moreover, the political situation remains highly precarious, with direct implications for achieving effective local governance.²⁰

The DGTTF project in **Yemen** was implemented in 2003, almost a decade after its civil war in 1994, which both exposed and exacerbated the country's deep-rooted problems following its unification in 1990. While the central government crushed the Southern secessionist war, the state faced the concurrent challenges of establishing viable central authority, a unified nation-state, and a pluralistic political system to accommodate diverse regional, political interests. Local governance was at the core of the national debate in unified Yemen. It was expected that local governance 'would facilitate a nation building process badly-needed to cement the new state'.²¹ Enacted in 2000, the Local Administration Law called, among others things, for new roles for the Ministry of Local Administration, governorates and districts as well as for financial regulations.

The DGTTF project was the first step to support the government in implementing a decentralized governance system. Having met its limited objectives, it was followed by the larger Decentralization and Local Development Support Project from 2003 to 2009 which, in turn, will be succeeded by a new project from 2010 to 2014. Meanwhile, the Yemeni state has increasingly become more fragile and greatly restricted in its ability to exercise effective authority in large parts of the country.²² In light of the country's political instability and insecurity, the future of Yemen's national decentralization strategy remains highly problematic.

19 See UNDP, *Lebanon – Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

20 See Ibid.

21 UNDP, *Evaluation of the Democratic Governance Thematic Trust Fund – Country Study: Yemen*, New York, 2007.

22 See Ibid.

Hosting Africa's longest civil war, **Sudan** reached a comprehensive peace agreement in 2005 between northern and southern regions of the country. The agreement allowed for an interim period of six years for democratic transformation throughout the country in order to preserve national unity, allowing for referenda at the end of the interim period to decide on the future of regions. It also defined the status of Southern Sudan based on the concept of decentralization and the creation of an autonomous democratic government.²³ The agreement provided for power sharing in a government of national unity, wealth sharing derived from oil production, and a constitution recognizing ethnic and religious diversity.

The two DGTTF projects were designed and implemented in this context. They both sought to lay the grounds for more participatory governance, through the engagement of Traditional Authorities on the one hand, and women, on the other hand. By recognizing the leading role that Traditional Authorities play in their communities and including them in the development and strengthening of formal democratic governance structures and institutions at the local level, the project can be seen as a contributor to building a resilient state. Notwithstanding fundamental tensions between champions of reform and traditionalists, the dialogue between different existing types of authority and social agents represented a peaceful process of accommodation between apparently conflicting views.

The assessment report indicates that the projects also sought to build a common Southern Sudan identity, thereby contributing to social cohesion and nationbuilding from below. Both projects clearly benefited from the decentralized local governance framework provided by the peace agreement. However, as the deadline for the 2011 referendum for self-determination approaches, there are serious concerns about the region's future. Whether decentralization will become an instrument of unity or secession remains uncertain. Under either circumstance, the risks of renewed violence are quite high, putting the achievements of the DGTTF projects in serious jeopardy.

The DGTTF project in **Iraq** was undertaken in 2006-2007 following the US-led foreign invasion, the fall of the Ba'athist regime under Saddam Hussein and a

²³ See UNDP, *Southern Sudan – Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.



short-lived Coalition Provisional Authority. In 2004, Iraq adopted a decentralized political system comprising 18 governorates and a federal structure to apply to the Kurdistan region.²⁴ The assessment report notes that early recovery and reconstruction efforts provided entry points for local governance and decentralization preparedness. In 2005 a new constitution was adopted which committed Iraq to decentralization.

However, at the time of the project, the country was experiencing a violent insurgency, which seriously threatened its unity and stability. Indeed, the project was successfully carried out because it was undertaken by the Iraqi Engineers Union, which had access in all the governorates. While the insurgency that rocked Iraq at the time of the project has subsided significantly, local governance continues to be affected by and, in turn, directly affects Iraq's longer term stability. Continuing tensions and violence underscore the country's fragility. In order to preserve national unity, the devolution of power to local levels has not been given priority due to fears that increased autonomy can exacerbate separatist tendencies and increase violence. Ending violence, establishing political stability and national and local reconciliation, and reaching consensus around wealth and power sharing in the different regions of the country remain key challenges.

Finally, the DGTF local governance project in the **Occupied Palestinian Territory (oPt)** was implemented in an extremely difficult environment. Although a Palestinian Authority had been established in 1994, the oPt was still under Israeli occupation and lacked an independent state. Nonetheless, based on the Oslo peace agreements, the Palestinian Authority launched an accelerated process of state formation, including local governance reform as a vehicle for development and statebuilding. These efforts, however, were severely disrupted following the Hamas electoral victory of 2006, which led to a serious schism between the two dominant Palestinian factions. This was followed by Hamas takeover of Gaza and the continuing bifurcated Fatah rule in the West Bank and Hamas rule in Gaza. The rift at the political level has been replicated at the societal level with the Palestinian society deeply divided and unable to unite around a common vision. With the virtual physical and political separation of the West Bank and Gaza as

²⁴ See UNDP, *Iraq – Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

well as continuing occupation, both the future of the oPt and of local governance remain in suspense.

As demonstrated above, all the DGTTF local governance projects took place in complex political environments exhibiting various forms of political violence and political instability; weak or contested central government; societal fragmentation and lack of social cohesion. These relate directly to grave governance deficits which largely remain unaddressed.

Across the five cases, the main issue has been the nature of the state, and the problematic relationship between central government, local governance and society at large. Although the country assessments did not explicitly mention it, in each of the five cases, there is unfinished state formation — in terms of the relationship between the central government and local authorities as well as between the state and society. In other words, each of these cases have confronted the concurrent challenges of peacebuilding, statebuilding and nationbuilding along-side the need to establish democratic governance for more effective development outcomes, which has been the main focus of the DGTTF projects under review.

The overarching conclusion of the above analysis is that in countries grappling with the challenges of post-conflict reconstruction, peace-building, state-building, nation-building and democracy-building, local governance emerges as one of the most sensitive areas of contestation, posing serious difficulties for programming in this sector. Nonetheless, it is important to note that each of the projects reviewed here were able to capitalize on opportunities to support useful initiatives despite their precarious political context.

4. Challenges of local governance programming in complex environments



As reported in the DGTTF project assessments, the individual projects faced various challenges and limitations due to the difficult political environments in which they operated²⁵. These included delays in implementation or reduced goals due to physical insecurity, political instability, lack of political will and wavering political support for local governance reforms as well as the political economy of decentralization in conflict contexts.



Beyond these broader implementation challenges, however, one common feature of these projects seems to have been their narrow and largely technical focus on strengthening local governance for more effective development outcomes with only limited attention paid to the project's interplay with larger issues of peacebuilding, statebuilding and nationbuilding.

DGTTF projects are designed to be innovative and catalytic risk takers in order to deal with politically sensitive issues. Indeed, the six projects reviewed here did deal with a range of sensitive issues such as governance integrity, decentralization, and the role of traditional authorities. Yet, they seem to have been largely inattentive to the broader issues of conflict, social cohesion and state fragility that characterised their immediate environments. The assessment reports or other available documents suggest that most of the projects were not designed with a deliberate conflict lens – the only exemption being Southern Sudan; nor is there evidence that they engaged with conflict issues as part of their project design. Given the pioneering and catalytic nature of DGTTF projects, this stands out as a neglected opportunity.

It is generally accepted that democratic governance programmes are not a panacea. In fact, poorly designed and implemented initiatives may create unnecessary risks and generate serious problems given their highly political nature. Programming in this sector can be particularly risky in contexts of fragility and conflict. Nonetheless, there is growing appreciation that the appropriate response in such contexts should not be avoidance of difficult issues but more explicit attempts to accommodate them within project design.²⁶

If the DGTTF projects had been more deliberately tailored to assess the complex political environments in which they were implemented, the project designs might have been more realistic so as to avoid some of the subsequent implementation challenges. But perhaps more importantly, these projects might have been instrumental in generating deeper insights into local level dynamics of peacebuilding, statebuilding and nationbuilding. As designed, the projects and their outputs were

²⁵ This study is based mainly on the project assessments.

²⁶ For a discussion on UNDP conflict-sensitive programming for democratic governance, see UNDP *Governance in Conflict Prevention and Recovery: A Guidance Note*, New York, Geneva and Oslo, 2009.

primarily (though not exclusively) technical in nature. This is not to suggest that DGTTF projects have to engage directly with these deeper political issues. In fact, given their short duration and modest resources, DGTTF projects have only limited influence. However, in remaining largely apolitical, their impact and relevance seem to have been further constrained. As described above, critical local governance issues remain at the heart of the conflicts in each of the five cases and local governance programming, including the DGTTF projects reviewed here, seem to fall short of incorporating conflict issues into their overall design.²⁷

Indeed, a comparative analysis of local governance programming in the cases covered in this report (excluding Southern Sudan) has led to the broad conclusion that this DGTTF programming sector has yet to become conflict-sensitive. Yet, local governance is a highly contested domain in complex political environments which, in turn, generates various types of tensions for programming, including between local vs. national legitimacy; between technical vs. political approaches; between efficiency vs. building legitimacy; and between local government and local governance.²⁸ Each of these tensions in fact derives from the contested nature of political authority in conflict contexts and is manifested in different ways in each context. However, because local governance programming is based on the triangular relationship between the state, local authorities and society, it is inevitably affected by the deeper problems of political instability, state weakness and lack of national unity, which characterise the complex political environments covered in this report. Thus, different approaches to managing the triangular relationship between the state, local authorities and society through peacebuilding, nationbuilding, statebuilding and democracy building is likely to yield different outcomes.²⁹

In short, the inherent complexities of addressing issues related to decentralization and local governance reform are exacerbated in polarized conflict contexts since these involve changing the balance of power among different groups at both the central and local levels. This has direct implications for the design and implementa-

27 For an elaboration of this key point beyond the DGTTF projects covered here, see el-Kholy and Tschirgi, *op.cit.*

28 For a detailed analysis of these tensions, see *Ibid.*

29 For an elaboration of the different models, see *Ibid.*

tion of programming for all actors (governments, donors, International Financial Institutions) who are active in the sector. Given the narrow focus of this overview report, the following section reviews key lessons and offers recommendations for local governance projects under DGTTF.

5. Key Lessons and Recommendations³⁰



In countries grappling with internal conflict, local governance is one of the most sensitive areas of contestation. Several key lessons with important strategic and programming implications can be distilled from the preceding analysis of the six projects supported by the DGTTF in complex political environments in the Arab region:

- Local governance programming is primarily designed to promote development beyond the centre and to take services to the population in conventional development contexts while expanding political participation. However, it is increasingly being applied in complex conflict contexts. In normal development contexts, the main challenges include the struggle for power and revenue sharing between the centre and localities as well as resource and capacity deficits. In conflict contexts, local governance programming becomes intertwined with bigger issues of peacebuilding, statebuilding and nationbuilding. Yet, the overall conclusion of this study is that the six DGTTF projects took place in highly precarious political environments. Nonetheless, with the exception of the projects in Southern Sudan, they were not designed from a conflict-sensitive perspective and their engagement with conflict issues was very limited.
- In several cases, early recovery and reconstruction contexts provided useful entry points for support to local governance and decentralization programming by building trust and relationships. The DGTTF projects were able to capitalize on this to pursue their limited objectives. The modalities of programming and partnership building inside Lebanon are examples of good practice that can be scaled up.
- Local governance is a particularly contested area in conflict contexts, and reform initiatives are difficult to move forward. Nonetheless, innovative, catalytic projects can make a difference by planting ideas, fostering partnerships, generating dialogue, sharing experiences, creating a critical mass of people working on similar issues, building new tools, capacities and new greater technical expertise.
- Timing and momentum are critical for catalytic effect. However, sustainability is often hampered by larger political factors that retard or stall the pace of reform.

These lessons have important implications for DGTTF's overall strategy as well as the design and implementation of local governance projects in conflict contexts. However, the argument about the unique nature of complex political environments

30 The insights and recommendations in this section complement the broader analysis of local governance programming in conflict contexts by el-Kholy and Tschirgi, op.cit.



suggests that the recommendations below might be relevant for other types of projects funded by DGTTF:

- DGTTF is like a venture capital fund promoting innovation. As such, its success depends upon the opportunity to build on the short-term initiatives it supports. Thus, DGTTF should pay closer attention to the criteria for sustainability of efforts in conflict contexts.
- While projects might have inherent merit, their opportunity cost in difficult contexts should be given serious consideration in project selection.
- It is imperative to incorporate conflict analysis and conflict sensitivity in DGTTF programming. This would enable DGTTF projects to better tailor their methodology to conflict dynamics and possibly contribute to alleviating certain conflict tensions in their domain of influence. At a minimum, it would avoid the risk of doing harm.
- In conflict contexts, there has to be a closer interaction between the DGTTF projects and the larger local governance/governance programme. There needs to be a more explicit understanding between project-level and programme-level interventions. Given their openness to risk taking, DGTTF projects are particularly suitable to kick-start or test innovative efforts. The potential returns are not likely to be major. On the other hand, the potential for harm will likewise be lower.
- DGTTF projects in conflict contexts need to have more realistic, flexible parameters to adapt to highly unpredictable circumstances in order to rapidly revise their goals, time frames and implementation strategies.
- Given their pioneering and vanguard role, in complex political environments, DGTTF projects should incorporate an ongoing analysis and evaluation component with a serious effort to monitor conflict issues in their own domains.
- For cumulative learning, more effort should be made to keep electronic archives to avoid the dissipation of knowledge with the high turnover of project staff or change of offices due to insecurity or instability.

- DGTTF is not the only multi-donor funding mechanism that supports politically sensitive, discrete, time-bound projects in politically complex contexts. The UN Democracy Fund, the United Nations Peacebuilding Fund, the Crisis Prevention and Recovery Thematic Trust Fund, and the World Bank's State and Peace-building Fund all have similar aims. Thus, there is untapped potential for more systematic exchanges between these different funds to avoid duplication and to foster collective learning.

As noted in the Introduction, development actors have only recently started working at the nexus between conflict and development. As a result, there has been a rapid evolution of theory, policy and practice on the mutual impacts of conflict and development. With its focus on innovative and catalytic initiatives, the DGTTF can play an important role in enhancing its own programming by more systematically incorporating conflict issues into its work.

DGTTF Lessons Learned Series – Project Assessments in the Arab States Region:

UNDP, Lebanon – *Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

UNDP, Iraq – *Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

UNDP, Occupied Palestinian Territory – *Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

UNDP, Southern Sudan – *Local Governance in Complex Environments, Project Assessment*, Cairo, New York and Oslo, 2010.

All reports are available at the UNDP Oslo Governance Centre and UNDP Democratic Governance Group websites [www.undp.org/oslocentre and www.undp.org/governance]

The Democratic Governance Thematic Trust Fund (DGTTF) was created in 2001 to enable UNDP Country Offices to explore innovative and catalytic approaches to supporting democratic governance on the ground.

The DGTTF Lessons Learned Series represent a collective effort to capture lessons learned and best practices in a systematic manner, to be shared with all stakeholders, to serve as an input to organizational learning, and to inform future UNDP policy and programming processes.

As part of the DGTTF Lessons Learned Series, the Comparative Experience Note provides an in-depth cross-country analysis of key governance issues focusing on specific areas of DGTTF interventions.



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