

Capacity Development for Local Service Delivery & Public-Private Partnerships

The advent of decentralisation policies in many developing countries has meant that local governments now bear the primary responsibility for meeting the basic needs of their citizens. Thus, for poverty alleviation to be successful, it has to be conducted at the local level and involve all local stakeholders.

Many local governments have already proven their ability to find creative solutions and form innovative coalitions to respond to their citizens' needs and preferences. However, it is widely recognised that local governments alone cannot meet the continually expanding demand for services and will need to forge inclusive partnerships with other key stakeholders, among them the local private sector.

While traditional bilateral and multilateral development assistance plays a vital role in enabling governments to meet these challenges, the international flow of official development assistance (ODA) is only a fraction of needed investments for service delivery to achieve the MDGs. Therefore, new forms of partnerships for sustainable human development, adapted financing and technology, capacity development, and management are needed to face the service delivery challenges, and ODA resources can play an important catalytic role in making this happen.

The growing demand, and the complexity and costs of service delivery problems call for innovative interactions and more inclusive collaboration between an increasing number of actors. Local governments, businesses and communities have complementary skills and resources that together can substantially contribute to the improvement of service delivery and foster local development.

The overall development objective of the PPP-SD facility is to increase the access of the poor to basic services by promoting collaboration between government, local business, civil society actors and communities. While the number of experiences with private sector participation in large infrastructure projects has shown its benefits as well as its limits, experiences with multi-stakeholder partnerships in service delivery at the local level are rather limited. Also, the full potential of multi-stakeholders partnerships at the local level as an instrument which directly contributes to poverty reduction has not been fully explored. UNDP and the PPP-SD is seeking to ensure that the potential of such types of partnerships is fully tapped to complement other traditional public service delivery models.

The regulation of the services sector is the responsibility of the state. However, all stakeholders – local authorities, the private sector and users – must be involved in negotiating and agreeing on the business processes, service standards and tariffs, service coverage, access to services and targets to be met. Involving non-state actors in the delivery of basic services shifts the state's role from direct provider to enabler and regulator, in turn triggering significant capacity development needs for local authorities.

Public-private partnerships offers a sound framework, with capacity development support, for ensuring well-monitored contractual agreements with the local private sector that are both cost-efficient, accessible and equitable.

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UNDP facilitates reviews of the policy and regulatory frameworks that govern local service delivery in any given sector. We promote multi-stakeholder consultations around the good practices, innovative pro-poor approaches and services standards needed to improve the efficiency of and access to the poor to local services in that sector. We support capacity assessments and functional analysis of the roles and responsibilities of the state, private sector and user groups vis-à-vis pro-poor service delivery in key sectors such as water, sanitation, solid waste management and decentralised energy services. This includes assessment tools, expert networks and training of national and local stakeholders in public-private partnership and other service delivery models design and implementation in the service sector.

We provide support to interventions which:

- Focus on small and medium-sized municipalities in urban, peri-urban and rural areas.
- Focus on service provision with direct impacts on poverty reduction through job creation, revenue generation, skills development, improvement and extension of services to poor neighbourhoods.
- Focus on basic services with direct contributions to the Millennium Development Goals (MDGs), such as water supply, sanitation, solid waste management, local energy services, social services and public infrastructure facilities.

Support to UNDP Country Offices and UN County Teams target the following services:

- Promoting and enabling environment, specifically at the policy, regulatory and institutional levels, conducive to local PPP for service delivery benefiting the poor and contributing to meet the MDGs.
- Developing capacities of partners, including local governments, local businesses and communities to effectively engage through PPP to improve service delivery to the poor.
- Implementation of "quick wins" -- innovative and pro-poor local partnerships that contribute to improve service delivery for the poor.