United Nations Development Programme

CASE STUDIES OF SUSTAINED AND SUCCESSFUL DEVELOPMENT COOPERATION

SUPPORTING TRANSFORMATIONAL CHANGE

Empowered lives. Resilient nations.
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Supporting Transformational Change

UNDP is proud to have supported national development processes around the world for more than fifty years. This work supports the principles of the United Nations Charter and the “Peoples” of the individual programme countries. It catalyses reduction of poverty, improvement of lives, and expansion of choices, in keeping with the human development paradigm and with UNDP’s overall mission to empower lives and strengthen the resilience of nations.

Guiding principles of our work have been national ownership of the development process and the conviction that international partnerships can play a valuable role. Our goal is to support transformational change which brings about real improvements in people’s lives. The human development perspective, the values of the Millennium Declaration, and the results orientation of the Millennium Development Goals (MDGs) and other internationally agreed goals help shape our contribution to development.

Development is neither simple nor straightforward. It is a complex and long-term undertaking which embodies a range of challenges for all concerned. In the course of our work, we and our partners have experienced both successes and disappointments. Along the way we have learned many lessons, and we endeavour to incorporate those in our work in order to better serve our national partners and get results.

The purpose of this publication is to reflect honestly on this experience. It presents seven case studies where sustained development cooperation has enabled programme countries to make a real difference to the lives of their citizens. It also offers lessons learned to help improve our day-to-day work.

I hope that development practitioners will find this publication useful to their work in promoting sustainable human development and enabling the achievement of the MDGs.

Helen Clark
UNDP Administrator

Our goal has always been to support transformational change which brings about real improvements in people’s lives.
ACKNOWLEDGEMENTS

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The views and analysis presented in this study are those of the authors and do not necessarily reflect those of UNDP.
EXECUTIVE SUMMARY

The purpose of this report is to reflect on UNDP’s experience of development cooperation over the past 50 years, and to extract some common themes and general lessons about development cooperation for the future.

The report makes the case that development is a long-term proposition and is seldom amenable to short-term solutions. Certainly, truly transformational change at the national or subnational level takes time to achieve. If it is to be sustainable and sustained, it must be nationally owned and achieved. Outsiders cannot deliver such transformational change, but they can support it in a variety of ways, especially by helping to develop national capacity. UNDP believes that such international partnerships can play an important role in this regard.

After providing a definition of ‘transformational change’ and discussing some of the basic characteristics, complexities and uncertainties of the development process, the report documents seven cases where this has been achieved over a period of time. Taking 10–20 years as its frame of reference, the report demonstrates that development can be successful on this basis – even strikingly successful in some cases.

The seven case studies selected – as well as briefer accompanying country boxes – span the continents and the diverse range of programme countries within which UNDP works, including several of the most challenging crisis contexts. They also cover a variety of the programme areas in which UNDP specializes: democratic governance; energy and environment; poverty reduction and HIV/AIDS; disaster risk reduction; and post-crisis recovery; as well as the cross-cutting issues of gender, capacity development and south–south cooperation. Taken together, they document successful development programmes and the value of international partnerships.

However, the report also acknowledges that this is not always the case; that for a variety of reasons, development programmes are not always successful; and that, even when they are successful, there is always unfinished business and uncertainties to be addressed. Development is a work in progress, in every part of the world. Development management involves taking risk, seeking to ensure successful outcomes, but acknowledging that there will be disappointments also.

Finally, the report seeks to draw some fundamental lessons from this analysis, lessons which hopefully will be of value to development practitioners around the world, including UNDP’s own staff and national partners. The ten common themes and lessons are grouped into three general headings:

1. **Back to Basics:** These are essentially restatements of the most fundamental principles that underpin successful development cooperation: national ownership, capacity development, leadership and partnerships.
2. **Principled Opportunism:** These highlight a prevailing characteristic of UNDP’s work, in which it seeks opportunities to support transformational change within a value-driven normative framework defined by the UN’s member states.

3. **The Larger Context:** The final three themes reflect on the fact that, to be successful and transformative, development cooperation depends in no small part on the larger context. This is especially true of post-conflict situations, where even 20 years is a short time.

For the most part these lessons are not earth-shatteringly original, but rather serve to reinforce what most practitioners already know – but often forget in their drive to achieve a short-term impact for the efforts and resources expended.

Development cooperation is a marathon, not a sprint. It has its risks, and it has rewards. Well done, it can, as the cases here demonstrate, catalyse transformational change.

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**Transformational change** is the process whereby positive development results are achieved and sustained over time by **institutionalizing policies, programmes and projects within national strategies**. It should be noted that this embodies the concept of institutionally sustained results – **consistency of achievement over time**. This is in order to exclude short-term, transitory impact.
BACKGROUND, PURPOSE AND PROCESS

A Time for Reflection

UNDP has been engaged in development cooperation for more than 50 years, i.e. since the 1950s, when its predecessor programmes – the Expanded Programme of Technical Assistance (UNEP TA) and the UN Special Fund – were founded.

While the modalities of its projects and programmes have evolved over the years, the ultimate purpose of its work has remained the same: to assist member states to improve the living standards and life opportunities of their citizens (empowered lives) by supporting the development of national capacity so that member states can manage their own development programmes (resilient nations). To be sure, UNDP has not been the only development agency which has worked towards this objective, and indeed it has always worked as an integral part of the wider UN System in each country, as well as alongside many other multilateral, bilateral and non-governmental practitioners. However, UNDP can surely lay claim to being one of those with the longest engagement, the broadest mandate, the most partner countries and the most extensive country representation.

In the course of these 50 years, UNDP has made a significant contribution to development in many countries, and has learned many lessons about what works and what does not. This is attested to in countless discussions with national officials and UNDP staff members around the world. Anecdotes abound of past contributions, but they frequently recount a development process which has taken considerable time to mature – rather longer than the normal duration of an individual project or of a staff member’s assignment.

At a time when the value of development cooperation is under renewed challenge and when UNDP is embarking on a process of institutional renewal, the organization has, therefore, undertaken to identify and document examples of successful and sustained development cooperation which have contributed to transformational change at the country or subregional level. In the process it has sought to identify generic lessons for successful development cooperation which can be applied in future programme design and implementation.

Methodology and Process Adopted

The search for case studies did not begin with a systematic survey of all possibilities. The exercise was never intended to be a competition for ‘the best’, so there was no necessity for such comprehensive coverage. However, a triangulation research methodology was adopted to increase the credibility and validity of the results.

The starting point was, therefore, anecdotal reflections of current and former staff members who could speak with some authority of development over an extended period of time. The resulting list of possibilities was subsequently reduced by a process of probing and eliminating those case studies which could not pass the test, or for which adequate information was not available. In carrying out this winnowing process, due attention was placed on the desirability of achieving a balance in the resulting portfolio of case studies between regions and between UNDP’s development practices.

Finalization of the short list and documentation of each of the case studies, and of the transformational change achieved – and of UNDP’s contribution – was a demanding process. It

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1 UNDP was originally created in 1966, when these two predecessor UN programmes were merged into the one organization.
involved an extensive review of existing primary and secondary documentation, both internal to the UN, as well as external reports. This included reports of UNDP’s Evaluation Office (EO) as well as of external evaluations, where these were available. It also required a great deal of consultation, most especially with UN and national actors in each case. However, the first step in the entire exercise was to define the meaning of ‘transformational change,’ a term widely used but seldom pinned down for its true meaning and implication.

Defining Transformational Change

For the purpose of this study, the following definition of transformational change in the development context has been used in preparing this publication:

- **Transformational change** is the process whereby positive development results are achieved and sustained over time by institutionalizing policies, programmes and projects within national strategies. It should be noted that this embodies the concept of institutionally sustained results – consistency of achievement over time. This is in order to exclude short-term, transitory impact.

- **Positive development results** are defined as being real and sustained improvements in the lives of people, households and communities. Such improvements are measured not merely – indeed, not principally – in terms of per capita Gross Domestic Product (GDP) but in a variety of indicators, such as those relating to the Human Development Index (HDI), the Millennium Development Goals (MDGs) and their related targets and indicators. They include the process freedoms and enabling factors (e.g. human rights, democratic governance, participatory and inclusive processes) which are central to the Millennium Declaration but which are not captured in the Goals themselves.

- **National actors are by far the most important factors in effecting transformational change.** Indeed, such transformational change can by definition only be achieved by national actors since it will most likely depend on the political will of governments – national, regional and local – which have the power to legislate, develop policies and programmes, and to allocate resources – financial and human – to implement them. However, in order to be successful and sustainable, truly transformational change must also embrace civil society stakeholders, both in the commercial and the non-profit sectors, including community-based organizations. This underlines the importance of broad-based national ownership.

- **International partners are far less significant, for the same reason.** They can only aspire to influence and support national processes, rather than lead them. Such external actors’ main contribution must, therefore, take the form of supporting the development of national capacity within an overall framework

UNDP has sought to identify and document examples of **successful and sustained development cooperation** which have **contributed to transformational change** at the country or subregional level.
To qualify as transformational, the development cooperation must have contributed to significant, sustainable and sustained change for the better.

of national ownership of the development process. Where such capacity already exists, on the other hand, such external support can simply take the form of capital transfers. However, this is not the role of UNDP.

Selecting the Case Studies

It was also important to establish some criteria for selecting the case studies to be included in the study. These criteria are based upon the definition of transformational change outlined in the previous section, and rooted in UNDP's own development cooperation programmes. These criteria may be summarized as follows:

- **Transformational Impact**: To qualify as transformational, the development cooperation must have contributed to significant, sustainable and sustained change for the better, at the policy, programme and/or institutional level. In principle such impact should be demonstrated in the form of measured progress from original baseline data. Continuation of a policy and/or programme in itself would not be sufficient; there would have to be measurable – and sustained – change for the better in people's lives as a result, at the level of household and/or community.

- **Human Development, the Millennium Declaration and the MDGs**: Clearly, the transformational change documented should contribute to human development, as analysed in the global reports and numerous country versions, and measured by the HDI. It should also contribute towards achievement of elements of the Millennium Declaration, or one or more of the MDGs, including the related targets and indicators. These are, after all, an excellent summary of the UN's global normative agenda. Being driven by the precepts of human development, there should be special emphasis placed on those who are marginalized, excluded or vulnerable.

- **National or sub-national impact**: Development impact would have to be visible at least at a regional level, i.e. subnational, if not at a national level. Regional level is a possibility in larger countries where regional differences can be significant or where there is distinctive regional governance. Most importantly, this criterion would specifically exclude pilot projects which have not yet been taken to scale. Development experience is littered with successful pilot projects which have remained as such. It should also be noted that impact could also be found at the inter-country level, given UNDP's natural affinity for inter-country cooperation. In adopting these criteria there was an understanding that such results would always be achieved by a multiplicity of partners, led by national actors, not by UNDP alone.

- **National ownership and political will**: Since transformational change can only be achieved with a high level of national engagement and commitment, i.e. political will, selected case studies would need to provide evidence of this. National ownership, of course, is not necessarily synonymous with government
ownership, but may include regional and local government, civil society and the private commercial sector. However, it was to be expected that evidence of national ownership would come inter alia from the demonstrated actions of government at the policy and/or programme level, including, for example, legislation and/or budgetary allocations.

- **Sustained and sustainable development results**: The cases should provide evidence of significant development results which have been demonstrably sustained over a period of time, as opposed to results which unravelled or came undone after the development cooperation came to an end. This is an important measure of real transformational change. It should be further noted that this embodies the concept of institutionally sustainable results, as distinct from environmental sustainability.

- **Time-frame of 10–20 years**: Given the definitional need to establish demonstrable and consistent development results of a transformational nature, it became clear that it would need to be a UNDP-supported development programme which has been in gestation for at least 10 years. In most cases, UNDP’s support would probably have continued throughout this period, but not necessarily: a catalytic contribution at the outset could have resulted in national achievements over time. Given the need for results which are convincing, it was considered likely that many case studies would have been born during the 1990s. It was further decided not to pursue stories which go back much further, although anecdotal evidence suggests that numerous such examples could have been included. It was also understood that in the post-conflict context even 20 years is a short time period.

- **External validation**: Internal self-satisfaction could not be accepted as sufficient in itself, so any validation of successful outcomes should be buttressed by an EO-sponsored report on development results, or other independent evidence – and it should not be challenged by significant external research or observers.

- **Project, programme or cluster of interventions**: It is likely that a case study will comprise more than one project, especially over the selected time period. In fact, it may constitute a programme of UNDP-supported activities which all push in a similar direction over a prolonged period of time, but which were not always – if ever – written up as a coherent programme ex ante. In this connection, there has sometimes been a theological debate about ‘projects’ versus ‘programmes’; for the purpose of this study the terms are regarded not as distinctively different but as interchangeable. They both represent a set of interrelated activities with shared overall objectives – and both must comprise an important part of a larger whole, with higher-level objectives.

- **Replicable approaches**: It was important that the selected case studies lend themselves to illuminating certain generalized lessons for application elsewhere. Programme success always has certain unique elements which are difficult if not impossible to repeat elsewhere. A success story which is wholly unique would be less than useful in the context of the overall study. To illustrate this point each case study is accompanied by one or more boxes which summarize, albeit in less detail, similar programmes supported by UNDP elsewhere. These serve to broaden the base of experience documented and to underline common strands in UNDP’s work.

These criteria were understood by all concerned to be challenging, especially the need to trace UNDP engagement in what would in principle be a national undertaking. Furthermore, documenting the development cooperation over such a lengthy
period would push UNDP’s institutional memory to the limit. In fact, it has indeed required extensive consultation with former staff members, who were professionally engaged during the 1990s.

**Issues of Contribution, Attribution and Causality**

One aspect of the exercise was clear from the outset and served to complicate the process: transformational change can only be achieved by national players, not by external partners, however well intentioned. UNDP, therefore, expected that attribution would fall principally on these national actors who had brought about the change. This is as it should be, and serves to reinforce UNDP’s fundamental belief in and respect for national ownership of the development process.

Such national ownership often meant that UNDP’s original contribution may have been lost from sight, or at least been dwarfed by mainstreaming in national policies and institutions. Even at the peak of its own development cooperation, UNDP’s role was often performed as part of a consortium of international development agencies. For UNDP this begins with the UN Country Team, with which it works in close complementary collaboration, but includes other multilateral and bilateral donors. Indeed, a substantial proportion of UNDP’s development cooperation is as a result of project-specific cost-sharing. In such circumstances, narrow institutional attribution is neither possible nor helpful.

In the case studies selected and described below, this has indeed been a tricky issue to address, but UNDP believes that a common thread running through the stories is the value of international partnerships – with UNDP, with the UN more generally or with other international players – and the role they can play in supporting national processes of transformational change. In this context, distributing the credit between international agencies is beside the point. What matters is that the international partnerships reinforce national processes, rather than subverting or distorting them.

Thus it remains true that, where transformational change has been accomplished, it is inevitably attributable principally to national actors. These case studies are, therefore, at heart a story of successful nationally driven and owned economic, social and political change. UNDP is proud if its contribution has served to support such a process.
REFLECTIONS ON THE DEVELOPMENT PROCESS

The following section attempts to delineate the complexity and many uncertainties that affect the development process. Its purpose is to provide a realistic background to the case studies which follow, and to the successes and disappointments that characterize all of UNDP’s work. The presentation is not intended to be comprehensive or in-depth, but merely to highlight what most practitioners and observers know, if they stop to think about it, but which is often ignored in the context of routine development programme cycle management. Nor is it intended to be defensive or apologetic for what is in fact the intrinsic nature of UNDP’s work; it is simply the way things are in the real world of development cooperation.

What follows may seem somewhat simplistic, but it is hoped the reader will nod in recognition of reality.

Multi-Dimensional Complexity

Development is a complex process with many facets and interdependencies. It is neither entirely predictable, nor is it straightforward.

While this sounds like a truism, development practitioners customarily design projects and programmes on the assumption that things are more straightforward than real world experience suggests. They treat it rather as an engineer might treat the design and construction of a bridge: the laws of physics are known, as is the span of the river to be crossed; the physical strength of the design, the weight of projected traffic and the resilience of the selected building materials can all be calculated; and the phased construction can be planned quite precisely. Of course, one should not underestimate the complexity of such calculations; however, they are predictable and essentially mechanistic in nature.

Development is quite different. Being a complex mix of economic, social and political processes – all of which have human behaviour at their core – it is far less predictable. When all of these processes are pushing in the same progressive direction, they can be powerfully reinforcing. However, they can also be quite problematic, unpredictable and even counterproductive in terms of the carefully laid plans of development practitioners. In reality, development can, therefore, best be understood as an organic process, rather than mechanistic in nature. As such, it has a dynamic that nobody entirely controls or can foresee, especially if some of those processes are regional or global in nature.

A more apposite metaphor – and certainly more colourful – might be that of gardening: the soil can be analysed, and the general climate is known, albeit subject to annual and seasonal variations. The distinctive characteristics of each plant may be understood, but its fertility may be affected by its position in the garden, exposure to sunlight and its relationship with neighbours. Sometimes there is a productive symbiosis, sometimes the reverse. And an unexpected storm may derail the best of plans. A successful practitioner may have a grand scheme for the overall garden but will nonetheless proceed with some trial and error: experimenting, while being prepared to fertilize, replace, transplant or prune as necessary. Adaptive flexibility is very important.

Development has a dynamic that nobody entirely controls or can foresee.
Development management is rather similar to this, although much literature prefers to emphasize more detailed planning and rigorous implementation. This is understandable at the point of project design but tends to discount the uncertainties and complexities involved in the implementation process – and the need for flexible adaptation in the course of project implementation. This is borne out in many of the case studies described in this report.

It follows from this that there is not, and never can be, a ‘silver bullet’ in terms of achieving sustained development progress. There is no single vector solution to the complex challenge of promoting human development, reducing poverty and increasing opportunities for people to better themselves. Despite a regular flow of such elixirs in development literature and funding decisions – health, structural reform, democratization, etc. – the reality is that success depends on progress in many areas, which together create synergies and which are mutually reinforcing: a virtuous cycle of progress. Success breeds success. The converse can also be true: it is difficult for an individual programme to transcend the context in which it is designed and implemented.

The Nature of National Capacity Development

From its birth UNDP has always been in the business of national capacity development, both at the individual and the institutional level. By this it means strengthening the ability of individuals, organizations and societies to manage their own development processes with a view to promoting sustainable human development and achieving the MDGs.

The achievement of transformational change – change which is sustainable, sustained and makes a lasting difference to people’s lives for the better – is always accompanied by institutional capacity development, anywhere in the world. Indeed, at its heart, the development process is principally about institutional capacity development of one sort or another.

In this respect, UNDP operates within a broad understanding of these terms, whereby:

- **Institutions** comprise policies and programmes, including any legislation that underpins them, and the organizations which support and implement them. Policies and programmes depend on organizations to implement them, while organizations exist for this purpose, not in their own right.

- **Informal institutions** are also of great importance. These refer to the individual behaviours and informal relationships which characterize society beyond formal organizations. Indeed, the synergies – or the dysfunctions – that pertain in such informal institutions can play a major positive – or negative – role in development processes.

- **Capacity Development** may entail the creation of brand new institutions – laws, policies, programmes and organizations – and/or the adaptation of existing ones. In either case, the process is one of change – in policies, processes, behaviours and expectations. This is the very essence of development, and the business of development cooperation.

This process of national capacity development is time-consuming and not normally amenable to shortcuts. In most societies, the strongest and most resilient of institutions may have existed for centuries, with policies, programmes, behaviours and expectations that are deeply ingrained. New ones cannot be created overnight, and may indeed take many years to reproduce. And as for re-directing or reforming existing ones, this is a challenge anywhere.

UNDP defines three separate but closely interrelated levels of capacity, each of which has to be addressed, if sustained capacity is to be developed.
There is not, and never can be, a ‘silver bullet’ in terms of achieving sustained development progress.

They are:

1. **External enabling environment**: policies; legislation; budgets; power relations; and social norms.

2. **Internal organisational issues**: financial and human resources; internal policies; arrangements; procedures; and consistency of application.

3. **Individual staff capabilities**: leadership; knowledge and skills; experience; attitudes and practices.

UNDP’s experience suggests that new institutions take a long time to become fully established, with tested and independently evaluated policies; trained and operationally experienced staff; a systematic reservoir of knowledge and experience; and the resilience to cope with the ever-changing external environment. They may, of course, become operational much sooner than this, but this is not the same as being effective, robust and self-sustaining.

Furthermore, apart from depending on a politically and financially external enabling environment, this time period assumes a ready supply of appropriately qualified staff and a stability in staffing, i.e. one which avoids rapid turnover. This is far from the case in most of UNDP’s partner countries, where there is characteristically a shortage of, and, therefore, a competition for, qualified staff. This commonly results in a rapid turnover of key staff, especially at the more senior levels.

For the purposes of identifying transformational change, it is also important to distinguish between institutional capacity development on the one hand and individual capacity development on the other.

While development cooperation engages extensively in the training and development of individual staff members, this must be demonstrably embodied in institutions if sustainable impact is to be achieved at the societal level. This is why this section is deliberately titled ‘national capacity development’, to make this important distinction clear.

The absence of any or all of the above militates against any short-term institutional capacity-building.

**The Importance of Political Context and Political Economy**

Development and institution-building do not take place in a vacuum. Both are strongly influenced by a political process which affects policies, priorities and resource allocation, both financial and human. For its part, political power is so closely influenced by economic forces that many would argue that neither politics nor economics exist in isolation but only within a framework of political economy.

Yet political forces and influences wax and wane within a cycle that often bears little resemblance to, and is characteristically unrelated to, the usual project management cycle of three to five years customarily adopted by development practitioners. In democracies the pulse and timing of elections can prove pivotal to the otherwise predictable process of policy-making and implementation. In more autocratic settings, the internal policy debates and jousting for power and position may be less visible than in a democracy, but they are no less real – or unpredictable – in their impact on the development of policies and programmes.
Development practitioners often view the development process as being ‘win-win’ in game theory terms. This implies that there are only winners and no losers from a general improvement in living standards. However, history suggests that this is not the case and that the political trajectory of a country as it progresses can be bouncy at best, as the socio-economic tectonic plates shift. In every country, economic growth in itself has tended to redistribute wealth, opportunity and political power, especially if accompanied by asset redistribution such as land reform – or not, if such reform is absent. The spread of education and popular participation in decision-making also affects these dynamics and can be destabilizing in the short to medium term. Such change, however beneficial overall, has winners and losers. It also prompts countervailing forces which frequently disrupt smooth progress.

Political processes are always a balance between power and ideas, with the principal emphasis on power: its distribution, application and the perpetual competition for it. Development practitioners tend to focus more on ideas, values and possibilities. They neglect the uncertainties of the political process at considerable risk, since these can have a profound effect on the feasibility of achieving transformational change, at least in the short run – and perhaps even in the longer term.

A Marathon, Not a Sprint

For all these reasons, development is a long-term process and, in a very real sense, a ‘work in progress’. It is a dynamic which unfolds over the long term, with spurts of progress, accompanied by minor or even major setbacks. While it benefits from some stability and consistency, its very success may in fact disrupt this smooth progress.

It is also true that, while the overall process is long-term, there may be periods of intense and rapid change – akin to a sprint – for example, in the 1990s after the dissolution of the Soviet Union, or following a major political upheaval. Yet it actually takes far longer for real change to take root and become sustained transformation – and to demonstrate that it is not a flash in the pan. In this sense the marathon also assumes the characteristics of a relay race, requiring the consistent effort of a variety of different actors over a prolonged period.

This could in fact be said of any of the UN's member states, each one of which has strengths and ‘soft spots’ in its development status. If this is true of the richer countries, it is no surprise that it is also true of the poorer ones. It is not possible for development cooperation to transcend this reality. At best it can facilitate and support progress in the right direction. The case studies described below demonstrate that this is a valuable role to play, and one which can make a real difference – always provided that there are national actors to take the lead and promote the change internally. External partners such as UNDP cannot push the string across the table; there must be someone to pull it.

An obituary of Zhou Enlai, the late Prime Minister of China, observed that “Zhou thought of development in terms of centuries, not lifetimes.” Supporters and designers of development cooperation should beware the short-termism and impatience that so often characterize development management. The case studies which follow demonstrate what can be achieved by long-term international partnerships in support of national development programmes. Development cooperation can – and does – play an indispensable role in furthering human development and achieving the MDGs.
MICROFINANCE IN MONGOLIA
Supporting Transformational Change

MICROFINANCE IN MONGOLIA

Synopsis
Following the dissolution of the Soviet Union in 1991, Mongolia began to chart its own course towards democracy and sustainable human development. This included a major transformation from a command to a market economy, with all its institutional requirements. In 1997 UNDP helped create the country’s first non-bank financial institution, which began to provide microcredit to people with low incomes. Since these first steps, microfinance has spread across the country and drawn in extensive external funding. It has been a pioneer institution that through its demonstration of sound banking practices has had a positive impact on reform of the financial sector. The initial project partnership went on to create a nationally owned and socially oriented commercial bank, XacBank, which now has branches in all provinces. It continues to extend microfinance to low-income populations and is currently experimenting with innovative ways of delivering such services.

A nation in transition
During the 1990s Mongolia underwent a major transformation, from a centrally planned economy under the aegis of the Soviet Union, to an open, market-driven economy. This process involved extensive institutional change, both in the political arena as well as in the legal and regulatory environment for economic activity. Political change, market liberalization, currency reform and restructuring of the financial sector opened up opportunities for small and medium industries.

Led mainly by investments in mining (especially copper, gold and coal), Mongolia’s economic growth rate accelerated impressively, to the extent that by 2004 the private sector’s share of GDP had risen to 75 percent. Since 2000 the country’s average annual GDP growth rate has been above 5 percent, but, while the share of agriculture has declined to around 23 percent, it nonetheless still accounted for 34 percent of the workforce in 2010.

Not everyone benefited equally from this robust growth rate. One of the challenges to policy makers was how best to spread the benefits of such economic liberalization beyond the urban-based and well-to-do minority of the population. Poverty was and still is a major challenge to the country, with more than a third of the people living below the poverty line, and many more traditionally dependent upon agriculture and livestock for their livelihoods. Climate change has adversely affected such livelihoods, especially animal husbandry, as drought and dzud (harsh winter) became more common.

In order to address this less advantaged population group during the time of national economic transition in the 1990s, the government decided to implement an experimental pilot programme
in microfinance with the support of UNDP and its global MicroStart programme. Its success exceeded all expectations, as it rapidly developed into a major nationwide programme.

**Empowerment through microfinance**

The microfinance initiative pioneered by UNDP addressed a part of this conundrum in 1997. It did so in partnership not only with the Mongolian government but several non-governmental organizations (NGOs) and a talented Mongolian management team. The centrality of Mongolian leadership from the start proved to be a source of strength and resilience, as it progressively evolved into the fully commercial XacBank. This did not happen overnight but was a progressive evolution from small beginnings. UNDP’s initial grant was US$1 million.

Although microfinance lending was initiated in 1997, it was in 1999 that non-bank financial institutions (NBFIs) such as the institution created through MicroStart were officially registered. In the course of the next several years, the regulatory framework for microcredit in Mongolia rapidly took shape. MicroStart paved the way for this, as an example of what was possible.

The national policy framework developed apace: in 2002 the Mongolian Parliament passed an Employment Promotion Law, placing a higher priority on inclusive economic growth. In the same year a new law spelled out the roles and responsibilities of NBFIs, and a new Cooperative Law legalized savings and loan cooperatives to complement the employment law.

**Mongolia**

Mongolia is a country with a unique set of characteristics – and consequent development challenges.

It is situated in the heart of the Asian continent, landlocked with only one rail line leading to Russia and China. It has a population of 2.75 million people (2010) and a land area of 1.5 million km². It has the lowest population density in the world (three times the size of France but with a population 24 times smaller). One third (37 percent) of its population lives in rural areas and depends almost exclusively on livestock.

It has an extraordinarily extreme climate, with a short summer and long winter. The temperature varies from -40°C in winter to 40°C in summer. It has a dry and harsh climate, with precipitation ranging from 50 mm in the south to 400 mm in the north. More than half the territory is covered with permafrost.

Economic insecurity is a prevailing characteristic of most rural Mongolians.

The process of opening up the small-scale financial sector was supported in its early years by UNDP. Subsequently, the United States Agency for International Development (USAID), Mercy Corps (an international NGO very active in Mongolia since 1998) and other multilateral and bilateral donor agencies became involved as they recognized that microcredit was an idea whose time had come in Mongolia.

Poverty was and still is a major challenge to Mongolia, with more than a third of the people living below the poverty line.
By 2001 this broadly supported NBFI consortium had become the XacBank, an independent commercial bank, operating on a market basis. As the banking and finance sector opened up, others joined the sector, so that by 2005 there were 17 banks, 126 NBFI and 270 cooperative savings and credit associations. So rapid was the growth that a UNDP evaluation at that time openly fretted that the microcredit market in Mongolia was in danger of becoming saturated.

It has not all been plain sailing for the rapidly expanded microfinance sector: ensuring adequate regulation of the many entrants into the new sector has been difficult for the government. It has also been a challenge to ensure a realistic commercial rate of interest, so as both to reflect the higher risk of loans and to ensure broad access to the financial instruments being offered. These are characteristic birth pangs of most microfinance programmes.

Expanding this access to credit services across Mongolia’s rural areas has also been difficult in terms of transaction costs, a difficulty which is currently being addressed through the use of mobile banking services. Accessibility has been and will remain a particular challenge for Mongolia, which has one of the most dispersed rural populations in the world, with a rural population density of just 2 people per km.

UNDP’s own support successfully concluded in 2001. The nationally driven momentum had already taken over by then and is continuing to this day. Significant financial resources come on stream, including from the private sector, and national institutions demonstrating their ability to carry the sector forward, while addressing its many challenges.

Once a beneficiary of the UNDP project, XacBank has become an implementation partner of UNDP in Mongolia. From 2006 to 2008 XacBank was a partner financial institution of UNDP to provide low-interest loans to UNDP-assisted small and micro entrepreneurs under the Enterprise Mongolia Project. Currently, XacBank and UNDP work together to introduce energy-efficient housing to poor households through a XacBank mortgage programme.

**Making a difference: the transformational impact**

UNDP is proud to have been there at the start, supporting dynamic and far-sighted Mongolian managers and policy makers to create a sustainable microfinance institution and transformational policies for the financial sector more generally.

From UNDP’s pioneering investment in microfinance in 1997 Mongolia has come a long way. Although still a work in progress, there is little doubt that it has transformed the lives of many tens of thousands of Mongolians, both by creating economic opportunities for them, as well as by helping to insulate them from the many uncertainties of life in a competitive market.
economy. By providing access to financial resources in the turbulent time of transition to a market economy, Mongolians were able to unleash their entrepreneurial talents to create a better future for themselves and their families.

XacBank has made striking progress in becoming a self-sustaining and profitable enterprise over the past few years. By the end of May 2010 the bank had 93,930 loans outstanding, with a dynamically varied customer base. In recent years the bank has developed specific programmes to target young women, in partnership with the Women’s World Bank (WWB), who comprise one half of all customers. The young women and girls’ bank also targets young people, with 47.1 percent of its clients being between the ages of 18 and 35.

In September 2009 XacBank launched its Eco Products Programme, offering low-interest loans for energy-related products to poor clients in the country. The intention is to enable Mongolian households to lower their fuel costs, breathe cleaner air and stay warm in the long winter months. This has enabled XacBank to receive carbon credits for its work, apparently the first such award of its kind. All these new programmes illustrate the dynamism of the bank and its ability and willingness to develop its products in line with the client and national needs.

The composition of the bank’s loan portfolio serves to underline the importance of consumption and trade loans overall:

**COMPOSITION OF XACBANK’S LOAN PORTFOLIO, 2006**

- **Consumption**: 48%
- **Trade**: 21%
- **Financial Leases**: 10%
- **Mixed**: 7%
- **Crop**: 13%
- **Livestock**: 1%
- **Other**: 0.8%
- **Production**: 1%
- **Services**: 1%
- **Financial Leases**: 0.4%

*Source: Hishigsuren, 2006*
Microcredit programmes in Uzbekistan were pioneered by UNDP in 1998 through the implementation of two pilot projects in Kashkadarya and Karakalpakstan. These projects supported the establishment of two non-governmental MicroFinance Institutions (MFIs) under the Business Women’s Association. The main goals of the projects were to expand access to financial resources for low-income groups and to assist them in trade, small-scale production and micro-businesses based on family assets such as agricultural land.

In addition to piloting these programmes UNDP facilitated adoption of the national policy on MFIs. National legislation was approved: ‘On Measures for the Development of Microfinance in the Republic of Uzbekistan’ (Decree # 309 of August 2002). Adoption of the laws ‘On microfinance’ and ‘On microcredit organizations’ in 2006 and the State programme on microfinance development until 2010 (Resolution of Cabinet of Ministers #114 of June 2007) provided a legislative and regulatory framework to ensure the transparency, consistency and sustainability of the microfinance sector. This, in turn, inspired an increase and expansion of the MFIs throughout the country: by the end of 2010 there were 116 credit unions and 35 microcredit organizations registered and operating in the country.

The UNDP project ‘Support to the microfinance sector development’, launched in 2009, supported further growth and expansion of the MFIs, aiming to promote their social performance and increase of financial inclusion. In order to increase access to finance for the low-income population in remote and rural areas, widen employment and small entrepreneurship opportunities and promote client protection principles, the project opened a dialogue on new proposed amendments to the laws regulating microfinance activities in the country and facilitated adoption by the government of the State programme on microfinance sector development in 2011–2015.

As shown in the recent ‘Uzbekistan Microfinance Analysis and Benchmarking Report’ prepared in cooperation with MIX Market (a worldwide microfinance information exchange platform), despite rapid growth and increased efficiency of the sector, there is still significant unfulfilled demand for microcredits due to the shortage of external funding. To this end, UNDP’s technical assistance is focused on strengthening the capacity of the local MFIs to attract the funds of socially responsible investors from around the world.

XacBank continues to ensure that its loans go to the rural areas, where most of the people live, which poses a special challenge in a country where the rural population density is so low. Rural clients currently comprise about 47 percent of its total number, which compares very favourably with 9.7 percent for the mainstream banking sector. Recent initiatives to introduce mobile banking should make a further improvement to these relatively impressive figures.

Microfinance generally, and XacBank in particular, has undoubtedly made a significant contribution to Mongolia’s development, and to its poverty reduction programmes. Certainly the 152,972 rural customers of XacBank have themselves benefited, but they still represent less than 10.1 percent of the rural population. It has, however, been an indispensable part of the larger picture.
During the past 15 years, Mongolia’s HDI and its MDG indicators have steadily improved (see box above), in the rural as well as the urban areas. This represents a steady transformational change in life possibilities for rural Mongolians, in which microfinance has played a modest but individually important role. The mutually reinforcing coincidence between these two phenomena – the expansion of effective microfinance and the improvement in human development – perhaps reaffirms the development truism that ‘success breeds success’: overall progress in Mongolia has enabled the microfinance programmes to prosper, and vice versa.

The steady MDG and HDI progress cannot be attributable to the growth of microfinance as such; however, it has undoubtedly played its role alongside many other government and donor-supported policies and programmes. Indeed, the lesson to be gained may be that institutions such as XacBank can be most successful when they operate against a background of more widespread institutional change and generally improving living conditions.

XacBank’s growth can be observed in several major bank performance indicators (see below). Its total assets grew by 26 times from 2002 to 2010, total loans increased by 43 times, and total savings by 25 times.

The MicroStart project founded by the government with UNDP support of US$1 million in 1998 now has
a total asset of more than US$450 million. This is a significant achievement.

**Lessons learned**

A number of useful development lessons can be drawn from the example of Mongolia’s microfinance. They can be summarized as follows.

- **Mongolian leadership:** From the outset, the microfinance initiative was a government–UNDP programme, including support from the Central Bank of Mongolia. Throughout the process, its cardinal characteristic was strong and visionary Mongolian leadership, which UNDP was proud to support with start-up funding and one international adviser.

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**Microfinance in Tajikistan**

As a post-Soviet and post-conflict country, Tajikistan has faced an uphill battle since independence. The five-year civil war immediately following independence further devastated the fragile new state. Although the war ended in 1997, the economic and social effects of the conflict still haunt the country today. Tajikistan suffered billions of dollars in damage, lost more than 60 percent of its GDP, and thousands of people were displaced.

To revitalize the local economy, the government and UNDP identified microfinance as an important mechanism for supporting local economic development and providing economic opportunity for poor and marginalized people, especially in rural areas.

Building on foundations laid by its well-established Reconstruction, Rehabilitation and Development Programme since 1996, in 2004 UNDP supported a government-inspired community-oriented programme to ensure sustainable development throughout the country. This represented a shift from a predominantly humanitarian and stabilization-focused programme to one that emphasizes long-term change in economic and social conditions at the community level.

Through the establishment of Jamoat (sub-district) Development Committees (JDCs), which later transformed into Jamoat Resource and Advocacy Centres (JRCs), UNDP supported the establishment of Revolving Funds (RFs) throughout Tajikistan for provision of access to microcredit to rural poor people.

These RFs initiated microfinance activities in more than 120 *Jamoats* in the country, with the aim to cover more rural populations. In 2006, after the adoption of the Law on Microfinance Institution, around 120 RFs were combined into seven regional Micro Loan Foundations (MLFs). To date, all of them have built their capacity and more than doubled their portfolio, i.e. from US$3 million in 2006/7 to about US$6.5 million in 2011, and coverage has reached about 120,000 households with more than half a million people. In 2011 all the MLFs in the country reached over 30,500 active clients, of which 40 percent are female clients.

In all seven MLFs the payback rate is almost 99 percent, which is the highest among the MFIs, not only within the country but also in the region. Families who benefited from the microfinance fund have increased their income and created job opportunities in their communities. The largest immediate impact of micro loans was better access to capital among female beneficiaries, who otherwise would have none.

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**Total asset of more than US$450 million. This is a significant achievement.**
• Partnerships: As it progressed, this Mongolian–UNDP initiative drew in a range of other national and international players, including NGOs. Not only did the programme access a broad base of knowledge and experience, but it ensured allies which would carry the process forward, irrespective of UNDP’s own engagement. Such broad partnerships facilitated national as well as government ownership.

• Strategic analysis of opportunities: The decision to initiate MicroStart was a correct assessment of needs and opportunities in Mongolia in the mid- to late-1990s – it served to address the needs of those population groups less immediately benefiting from the surging economic growth, and it became especially critical when the economic resurgence experienced a setback as a result of the East Asian Crisis. The existence of MicroStart as a UNDP-supported global programme gave Mongolia access to comparative experiences in other countries.

• Timing is important: The emergence of Mongolia from its earlier economic straitjacket into a market environment created opportunities – and a national openness to them – which is difficult to repeat in more stable situations. At a time of rapid change, a relevant initiative stood a good chance of being mainstreamed.

• Success breeds success: The development of microcredit benefited from progress in other sectors of Mongolia’s rural economy, and vice versa.

Although still a work in progress, there is little doubt that microfinance has transformed the lives of many tens of thousands of Mongolians.
RESPONDING TO THE HIV EPIDEMIC IN ETHIOPIA
RESPONDING TO THE HIV EPIDEMIC IN ETHIOPIA

Synopsis

Since its first reported infection in 1986, Ethiopia has been fighting the HIV pandemic vigorously. By 2010, new infections had decreased and life expectancy increased, as population awareness, testing and antiretroviral treatment all gained traction. Ethiopia’s progress in addressing the HIV challenge benefited from its partnership with the international community, including with the Joint UN programme on HIV/AIDS (UNAIDS), the Global Fund to Fight AIDS, TB and Malaria and the US President’s Emergency Plan for AIDS Relief (PEPFAR).

As a co-sponsor of UNAIDS, UNDP’s special contribution was to promote a leadership development programme as well as a community-based methodology – ‘Community Capacity Enhancement’ (CCE) or ‘Community Conversations’ – which served to empower individuals and communities, especially women and other silenced people, across the country. This methodology has been successfully mainstreamed into the Ethiopian public health system. It was the product of a global programme developed by UNDP in the 1990s and rolled out in a number of countries in Africa, the Arab States and Asia. Ethiopia is a particularly successful case study of its kind.

A health crisis within a health crisis

Ethiopia is a low-income country with a population of 85 million people, 85 percent of whom are rural and dependent upon agriculture. Even in 2008 the population continues to grow at 2.6 percent per annum, and 43 percent of the population are under the age of 15 years. Apart from causing environmental degradation, this rapid population growth has put pressure on land holdings, communities and public services.

Ethiopia’s overall health status reflects multiple problems. According to 2009 national census with a life expectancy at birth of only 54 years and an under-five mortality rate of 104 per 1,000 (2009). Poor nutrition, infectious diseases and low levels of access to reproductive health and emergency obstetric services all contribute to one of the highest maternal mortality rates in the world. For Ethiopia in 2008, this is estimated to be 470 per 100,000 births.

These factors all conspired to make the country highly vulnerable to the HIV virus. The first two cases were reported in 1986, and the disease spread rapidly across the country, especially in urban centres. By 1992 the overall reported incidence of infection reached 0.6 percent of the population, and an alarming 2.3 percent in urban areas. This precipitated a concerted effort to address the challenge, in partnership with the UN and other...
donors and NGOs. Ethiopia has one of the largest populations of people living with HIV, estimated at 1.1 million women and men in 2009, and adult HIV prevalence is estimated to be between 1.4 and 2.8 percent. Almost 60 percent of people living with HIV are women.

With a per capita annual income of only US$334, Ethiopia had limited institutional capacity and resources to address this challenge on its own. Notwithstanding these constraints, during the late 1990s the Ethiopian authorities launched a major national programme on HIV and began to contain and reduce the incidence of new infections. This was so successful that by 2008 overall prevalence of HIV had been reduced and was stable, while 53 percent of people in need of treatment were receiving antiretroviral treatment.

**Engaging with people and communities**

Working within the framework of the UNAIDS partnership, UNDP works with countries to understand and respond to the development and social dimensions of HIV and health. It argues that development action outside the health sector – in social protection, gender, human rights, environment and related fields – can often contribute significantly to better health outcomes, especially for poor people. This approach recognizes that the disease is a challenge to political leadership, cultural values and community processes, as much as it is a public health issue. This is because reducing new infections and ensuring effective treatment requires a level of acknowledgement and open discussion of difficult issues that challenges most societies, even the most economically successful.

Human rights violations and inequitable gender relations fuel the spread of the HIV epidemic. Men and women often face social exclusion as a result of their HIV status, hindering efforts to openly and effectively address the epidemic. Violations of rights hamper access to prevention, treatment and support services for people living with HIV and for marginalized populations that are vulnerable to infection.

Human rights infringements, whether in families, communities, workplaces or health facilities, discourage people from speaking openly about HIV, seeking information and accessing support,

Ethiopia has one of the **largest populations** of people **living with HIV**, estimated at **1.1 million women and men** in 2009.
Supporting Transformational Change

THE CASE STUDIES

The Leadership Development Programme and Community Capacity Enhancement (CCE) methodologies are both intended to develop leadership at different levels of society. They are mutually reinforcing.

The Leadership Development Programme brings together leaders from government, civil society and the private sector to generate new partnerships and action to address the challenge of HIV. The programme intends to empower individuals to develop a leadership and organizational culture that can generate commitment, high performance within organizations and transformational change.

CCE is a community-based programme which works in both rural and urban settings. It was originally developed by both UNDP and the Salvation Army; the two approaches were subsequently merged into one.

It is a facilitated process for dialogue and decision-making – enabling communities to delve into the deep and sometimes uncomfortable causes of the HIV epidemic in their lives and generate their own solutions to address those causes. By facilitating rather than intervening and by empowering rather than prescribing, Community Conversations stands in contrast to many other approaches seeking to bring about behaviour change.

Although particularly relevant to HIV, the combating of which requires open discussion of behaviours and vulnerabilities, Community Conversations has many other benefits for the communities concerned. These include the development of local leaders who may also be instrumental in addressing other development challenges.

Leadership Development Programme and ‘Community Conversations’

UNDP began working with the Ethiopian authorities on HIV and AIDS in the 1990s, working within the UNAIDS framework whereby different UN agencies played their respective roles in the HIV response. For UNDP this includes integrating HIV priorities into national planning processes; strengthening governance and coordination of HIV responses; and promoting human rights and gender equality.

Initially in Ethiopia this took the form of advocacy while reinforcing the Ministry of Public Health in its planning of the nationwide response. Subsequently UNDP became more operationally involved, by supporting the introduction of community conversations at the local level.

The CCE methodology was initially tested on a pilot project basis, in four provinces. Applying expertise developed across the African continent as well as in...
Asia and elsewhere, UNDP trained local facilitators, drawn from their own communities. They initiated community conversations across these provinces, with striking results.

The most evident effect was to enable communities to acknowledge the HIV epidemic and to explore harmful norms or practices which fuelled its spread, including widow inheritance and female genital mutilation. This acknowledgement and open discussion is recognized as the starting point for any effective efforts to combat the epidemic.

The CCE process was also empowering, most especially for Ethiopian women, who were disproportionately the victims of the disease and whose active engagement was essential if it were to be controlled. Women were active participants in community conversations, and through this process communities were able to address issues such as gender-based violence and sexual and reproductive health.

In 2004, two years after the CCE pilot programme was launched, the government adopted it as an integral part of its national strategy. The decision was to mainstream the methodology throughout the country – and to use it not only to stimulate open discussion and behavioural change, but also to help target and prioritize within the national AIDS programme. This was decided with the full knowledge and understanding that CCE would have a beneficial impact on health service delivery more generally.

Community Conversations facilitated the engagement of people living with HIV (PLHIV), as well as those at risk of HIV, civil society, and faith-based groups to openly exchange dialogue. A recent report to UNAIDS commissioned by the HIV Prevention and Control Office (HAPCO) found that discussion of HIV and related health issues at the community level had a significant impact on addressing stigma and discrimination.

From Ethiopia’s 2010 UNGASS report, a multi-site study on knowledge, attitude and behaviour conducted by the faith-based network EIFDDA in 33 woredas (districts) among the general population found that 30 percent of the respondents had acceptable attitudes regarding PLHIV on all four indicators (willingness to care for PLHIV; to buy from PLHIV; to allow PLHIV to teach their children; and to keep family member’s HIV status secret). This may highlight an improvement compared to the figure documented in the Demographic and Health Survey 2005, which was...
only 10.7 percent among females and 16 percent among males in the general population.

During 2009/10 the Government of Ethiopia reported that 89.3 percent of kebeles (the basic administrative unit) conducted community conversations, and 24,723 community facilitators were trained, representing 97.1 percent of the target. An equally impressive performance (90.6 percent of target) was reported for school-based community conversations. This represents substantial progress in mainstreaming CCE across the country and involved a total of 5.6 million people. The number of communities continues to increase steadily.

## Progress consolidated

There is no doubt that Ethiopia’s achievements in terms of stemming the spread of HIV and reducing its impact have been impressive. This is especially so when set against the widespread poverty in the country and the general weaknesses of the health sector. Not only has the overall incidence of the disease been controlled and reversed, but the country’s ability to treat those already infected has grown impressively in the last few years (see graphs below). This has significantly increased the life expectancy of this group and reduced the economic consequences of early death, which can be so devastating to communities and families.

Some of the major achievements include:

- an increased level of awareness and positive trends in behavioural change;
- an increased demand for voluntary counselling and testing;
- an increased trend in condom distribution and utilization;
- integration and expansion of voluntary counselling and testing;
- initiation of prevention of mother-to-child transmission and antiretroviral services;
- positive trends in openness and reduction of stigma and discrimination; and
- encouraging trends in involvement of people living with HIV and AIDS to strengthen local engagement.

These are all welcome indicators of a more open discussion of – and less stigma attached to – HIV and AIDS. So too are the graphs below:

For all the progress achieved so far, some significant challenges remain. A high turnover of key government staff and tensions between the role of local and national institutions – perhaps caused by more assertive local communities, an achievement of the Community Conversations process – both

### CCE and South Africa

The CCE methodology which was pioneered by UNDP is now widely used by other agencies to raise awareness and empowerment among people against HIV and AIDS.

In November 2010 the Nelson Mandela Foundation used CCE in KwaMakhutha in KwaZulu-Natal, South Africa, to highlight the strong relationship between wunga and HIV. Wunga is a lethal combination of antiretrovirals, marijuana, rat poison, clay and detergent that is a growing problem in South Africa. Antiretrovirals are stolen and used in this recreational drug.

A CCE event or process created an environment in which three young men admitted to being wunga addicts and requested rehabilitation. The community responded positively to the young men and offered support and full financial assistance to help with their treatment. This outcome in KwaMakhutha is an example of how the community conversations process, once started by UNDP, empowered communities to discuss and address their various problems.

Source: Nelson Mandela foundation website 2010
complicate the sustainability of progress made. Extending the national programme to the most sparsely populated areas of the country stretches available resources to the limit. Sustainable funding will always be a challenge for a low-income country such as Ethiopia.

**Lessons learned**

There is little doubt in the minds of practitioners and observers in Ethiopia that UNDP’s Leadership Development and Community Conversations programmes made a significant contribution to the success of Ethiopia’s HIV programme. A number of factors influenced this relative success story in Africa’s ability to combat HIV:

- **Strategic positioning of HIV in the wider public health and development arena:** HIV was not seen as an isolated health sector issue but rather drove a concerted effort to promote health and non-health sector action, including engaging local communities through the CCE methodology. UNDP’s support to an integrated approach to such matters paid dividends in Ethiopia, as elsewhere.

- **Government leadership:** From the outset, the Government of Ethiopia responded to the challenge posed by HIV. It progressively put in place a national institutional framework which could manage the national programme. Faced with the early pilot success of CCE, it was quick to finance it and mainstream it nationwide. The road to development is paved with successful but ignored pilot projects; Ethiopia deserves to be congratulated for dynamically taking the CCE methodology to national scale.

- **Applying global programmes at a country level:** At the time they were introduced in Ethiopia, both the Leadership Development Programme and Community Conversations were global programmes of UNDP that were
Not only has the overall incidence of HIV/AIDS been controlled and reversed, but Ethiopia’s ability to treat those already infected has grown impressively.

introduced in a variety of different countries in the middle- to late-1990s and throughout the 2000s. This enabled Ethiopia to share its own experience and to benefit from similar work in other countries.

- **International partnerships**: UNDP’s contribution was as part of a wider range of actors which complemented each other in supporting national programmes. To its credit, the government was also open to these international partnerships which rapidly sprang up at the global level, to address a global challenge. Chief among these were WHO, UNAIDS, the Global Fund and the US government initiative PEPFAR. This ensured that resources flowed to address the HIV challenge and to reduce its worst ravages.

**Paving the way with institutional development**: The flow of international funds required an absorptive capacity – empowered and responsive institutions – to be effective. While there were and continue to be tensions between the various national institutions at all levels of society, overall national capacity to design and implement programmes has been greatly enhanced over the past 15 years. Such capacity development has long been the traditional role for development cooperation as practised by UNDP and others. There was a steady escalation of policies and programmes during the 1990s and early 2000s, of which Leadership for Results and Community Conversations were an important part. This paved the way for major resource flows from 2005, from the Global Fund and from PEPFAR.
Synopsis

Beautiful Bulgaria is a case study of significant transformational change brought about from modest beginnings. It is an example of well-timed, opportunistic and flexible development cooperation.

Originating in the 1990s, when Bulgaria was struggling with the national challenges brought about by fall of the Berlin Wall, the project began with efforts in 1997 to help the capital, Sofia, to respond to widespread unemployment and popular frustration. This pilot project – Beautiful Sofia – consisted of vocational training for the unemployed in the skills needed by the construction industry, combined with support to small enterprises. It was so successful that in 1998 it went nationwide, with funding from the European Commission. In 2000 the number of municipalities covered was 21, and by 2003 the programme was operating throughout the country with funding from the State (through the National Employment Plan) and municipal budgets. In 2008, after a two-year transition period, the management of the programme was handed over from UNDP to the Ministry of Labour and Social Policy and, thus, the government took full responsibility and ownership.

Beautiful Bulgaria is credited with not only making a significant contribution to the country’s economic revival but, perhaps of equal or even more importance, to reviving national self-confidence. In doing so, it paved the way for Bulgaria’s accession to the European Union (EU) in 2007.

A nation challenged

Set in the heart of Eastern Europe and with a population of 7 million people, Bulgaria suffered severe dislocation when the Soviet Union collapsed. With the dissolution of the Soviet block in 1989, in common with many of its ex-Soviet neighbours, Bulgaria began to transform its centrally planned economy to a market one. This transitional period was marked by tough reforms, rising inflation, increased unemployment and a significant drop in the living standard of the population.

The first decade of this transition was a period of political, social and economic turmoil. Between 1992 and 1994 the new post-communist government privatized land and industry, which, while promising longer-term benefits for the average Bulgarian, did not replace the job security and state pensions of the old regime. Even though a new government in 1995 slowed the pace of privatization, the economy continued to weaken and, as a result of massive inflation and the failure of the banking system, effectively collapsed in 1996. The unemployment rate remained high, reaching 16.9 percent that year. Rural towns suffered depopulation as the young moved to the cities in search of work or were part of the nearly 1 million people, many of them the better educated, who emigrated between 1990 and 2005.
The year when the programme was born, 1997, was probably the most difficult in this transitional period. It was characterized by galloping inflation, high unemployment and widespread social unrest, especially among young people. Beautiful Bulgaria helped address several of these challenges – notably unemployment, especially among young people, and the consequent unrest – and in doing so contributed to the overall transformation of the country: 10 years later, despite all these difficulties, the country was well on its way to becoming a stable and democratic market economy, as it was admitted to membership of the EU.

During this 10-year period, the EU provided substantial financial support to Bulgaria, a portion of which was harnessed by the UNDP-supported programme for urban regeneration, employment creation and the strengthening of decentralized governance.

Public works as national therapy

Beautiful Bulgaria, as it came to be called, began as a vocational training for unemployed people, with reconstruction and rehabilitation of the urban centres being the targeted economic sector. The rationale for this was that the work needed doing and offered the best prospects for absorbing the unemployed people, many of whom had already migrated to urban centres.

By way of complement it also provided training to small and medium enterprises (SMEs), as well as start-up finance for newly unemployed people who wanted to start a small business. By the early 2000s the programme had expanded into tourism development – renovating typical villages, monuments and historic sites – and into the building and/or rehabilitation of sporting facilities and children’s playgrounds.

From its inception the programme worked with municipal authorities, a level of government which was close to the people but had hitherto been constrained by centralized government policy.
Structural reform provided them with greater delegated authorities, as well as the right to raise revenue locally. As they exercised their new powers, they were open to new ideas and approaches to address prevailing problems.

In time Beautiful Bulgaria matured into a large-scale social and economic development programme, expanding from five to over 180 participating municipalities. More recently the programme has reached down to the village level.

The programme provided thousands of jobs, mostly for the unskilled and long-term unemployed, including many members of the Roma minority, a particularly vulnerable group which was hard hit by market liberalization, especially plummeting primary commodity prices, and needed access to alternative livelihood opportunities. The programme also led to much broader urban revival, coupled with a boost for tourism development and incentives for hundreds of viable new businesses.

Beautiful Bulgaria’s contribution has gone beyond the development of active labour market policies and has enhanced the capacities of all parties involved. One key impact was the social integration and market re-entry of long-term unemployed people; another was support for the private sector and entrepreneurship development in the construction industry.

Many participants and observers of Beautiful Bulgaria argue that the most important aspect of the programme was to give Bulgarians a sense of nationhood, self-confidence and hope for the future.

A national transformation

There is little doubt that Beautiful Bulgaria had a transformational impact on the country during a critical period of transition from a centrally controlled to a market-based economy, and from an authoritarian government to a decentralized democracy. While this continues to be a work in progress, the programme can be said to have been pivotal at a particular time in history.

A tabulation of some of the most tangible direct results is provided below. These are impressive in their own right, indicating the breadth and nationwide nature of the programme as a whole.

The impact can be conceptually divided into four parts:

- **The impact on individuals and their families:** In terms of jobs created and people trained, let alone small businesses started, the numbers are also impressive: 45,609 temporary jobs were created, including 12,453 (27 percent) for minority groups. When these are translated into families and sustainable livelihoods, the multiplier effect is far wider. This is borne out by a national survey which showed that 80 percent or more of the population knew about the programme, had direct knowledge of its achievements – and wholeheartedly supported it. This is a huge vote of national confidence.

- **The impact on national infrastructure:** The bald numbers speak for themselves. However, they become more real when one realizes that these 1,688 individual refurbishments include not only important historical and cultural symbols but also kindergartens, schools, hospitals, churches, social care homes, recreation and sports facilities, as well as other public buildings. The indirect beneficiaries of such projects, therefore, comprise most if not all of the Bulgarian population.

- **The impact on institutions:** The best evidence of sustainability is that the programme continues in 2011, and continues to be funded by the national State budget. This institutional capacity and commitment is not limited to the central government and a few municipalities but is a nationwide phenomenon embracing
private enterprise as well as the public sector. Although initially supported from outside, the achievements were national in their nature. This is in keeping with the polycentric nature of the programme as it evolved.

- **The impact on the national psyche:** Although difficult to measure and document, this is widely regarded as having been Beautiful Bulgaria’s most important transformational effect. 1997 was a turning point for the country, when – after an understandable period of national angst and insecurity – there began to be a belief that things could and would get better. Beautiful Bulgaria contributed significantly to this change in perception.

Of course, national regeneration is the work of a lifetime, or even longer. Fifteen years is a short segment of such a time-frame, and, indeed, Beautiful Bulgaria continues to be a national work in progress. The impact of the project was particularly strong in the initial years of implementation when the country was recovering from the crisis of 1997. Eleven years later, the country again dipped down in crisis, this time following the global downturn. In 2008 the Government renewed its commitment to the programme, reviving it with a budget of USD 40 million – almost half of the overall project budget over the preceding years.

The impact of the project was not limited to Bulgaria, proving that a successful project approach is not location-specific. During the last several years it was adopted in Romania, Serbia and Kosovo. Other countries, including Moldova, Armenia and Bolivia, have also shown interest in implementing the same approach.

### DIRECT PROJECT RESULTS

<table>
<thead>
<tr>
<th>NUMBER OF BENEFICIARY MUNICIPALITIES</th>
<th>District centres</th>
<th>28</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Small municipalities</td>
<td>152</td>
</tr>
<tr>
<td></td>
<td>Total district centres and small municipalities</td>
<td>180</td>
</tr>
<tr>
<td>EMPLOYMENT GENERATION RESULTS</td>
<td>People provided with temporary jobs</td>
<td>45,609</td>
</tr>
<tr>
<td></td>
<td>People from minority groups provided with temporary jobs</td>
<td>12,453</td>
</tr>
<tr>
<td></td>
<td>People finding permanent jobs after temporary employment</td>
<td>10,481</td>
</tr>
<tr>
<td>CAPACITY DEVELOPMENT RESULTS</td>
<td>Central/local government staff trained</td>
<td>643</td>
</tr>
<tr>
<td></td>
<td>People provided with vocational training</td>
<td>12,475</td>
</tr>
<tr>
<td></td>
<td>People provided with Start Your Business training</td>
<td>1,721</td>
</tr>
<tr>
<td></td>
<td>Contractors’ staff trained in Improve Your Construction Business</td>
<td>180</td>
</tr>
<tr>
<td>REFURBISHMENT WORKS RESULTS</td>
<td>Total number of sites refurbished</td>
<td>1,688</td>
</tr>
<tr>
<td></td>
<td>Number of sites listed as monuments of culture refurbished</td>
<td>534</td>
</tr>
<tr>
<td></td>
<td>Number of contractors involved in refurbishment works</td>
<td>821</td>
</tr>
</tbody>
</table>

Source: UNDP, 2010
THE CASE STUDIES

Public Works in Kosovo

When the international community stepped in to help Kosovo, Republic of Yugoslavia, in 1999 (as per UN Security Council Resolution 1244), its war-shattered economy and infrastructure were in serious need of rehabilitation, and at the same time there were high levels of displaced and unemployed people, including returning refugees. The 2003 NHDR recorded unemployment of 44 percent, perhaps among the highest in the world. This was widely recognized as being profoundly destabilizing in the post-war context.

UNDP’s immediate response was the Village Employment and Rehabilitation Programme (VERP), which was overseen by the EU, the UN Mission and UNDP, in the absence of any local institutional capacity. After a short pilot period, the programme went nationwide. It was complemented by two UNDP microfinance initiatives, and vocational training provided by several bilateral donors.

As local institutions began to take shape by 2004, UNDP supported both an Employment Generation Project (EGP) and a private-sector development programme. The EGP focused on the generation of short-term employment through implementation of labour-intensive public works, targeting the unskilled, long-term unemployed, and generation of more sustainable employment opportunities through piloting active labour market measures that linked training to the labour market needs and providing companies with incentives for absorbing this manpower. Forty-five percent of those assisted in this way were women, while other vulnerable groups, such as people with disabilities, were also actively supported.

These early programmes, which continue to date under the Active Labour Market Programme for Youth, gave birth to a much larger government-led programme – the Employment Strategy of Kosovo – which was approved in 2009 and covers the period 2010–2012. The funding for the strategy is through a trust fund that is led by the World Bank, with contributions from bilateral donors. The implementation of the Employment Strategy with respect to municipal-level public works interventions is guided by an operations manual that was developed drawing on the experience of the UNDP ‘Beautiful Bulgaria’ programme. The EU is also supporting a major public works programme modelled on the previous work of UNDP in this area.

Many participants and observers of Beautiful Bulgaria argue that the most important aspect of the programme was to give Bulgarians a sense of nationhood, self-confidence and hope for the future.
Lessons learned

The Beautiful Bulgaria case study represents a curious but effective exception to UNDP’s normal programming approach. In accordance with its strategic plans and practice architecture, UNDP characteristically offers a menu of potential development cooperation (its ‘development practices’) from which programme countries can choose.

In Eastern Europe in the immediate post-Soviet period, this supply-driven approach was subordinated to a more pragmatic approach, focused on ‘being useful’. It was able to succeed at least partly because UNDP’s in-house substantive advisory capacity was not the issue – Bulgaria had the technical capacity in-country from the totalitarian period. UNDP’s contribution was above all the creation of a supportive enabling framework within which a national initiative could take root.

The principle lessons to be drawn may be summarized as follows:

- **Principled opportunism**: The Bulgarian, Romanian and Kosovan examples demonstrate the unexpected but effective results from such an opportunistic approach. Although somewhat outside UNDP’s normal programming parameters, the programmes supported were all fully in accordance with the organization’s programming values: human development, poverty reduction, decentralized governance, participatory processes and national ownership.

- **Timing is everything**: The original programme was the right idea at the right time. It would not have been as opportune or as successful if it had been designed five years earlier or five years later. In 1997 Bulgaria was at the lowest point in its trajectory of adjustment to post-totalitarian reality and opportunities. Political leaders were looking for practical and effective ideas and were open to whatever could be shown to work. The political will to innovate existed, and the EU brought the pilot funding required. UNDP’s role was that of broker in the process.

- **Pragmatic programme design and implementation**: The programme did not begin with a grandiose idea but was developed with the simple intention of being practical and useful to local communities under stress. Vocational training for the construction industry had long since ceased to be a specialized programme area for UNDP. However, UNDP programme designers were not inhibited by this supply-driven perspective and, indeed, continually adapted the programme to take account of evolving needs.

- **Decentralized national ownership**: The programme relied on national ownership at the municipal rather than principally at the national level. This was facilitated by the fact that the programme and its impact directly benefited, and were clearly visible to, the man and woman in the street. In this respect it differed from the often arcane ‘upstream’ policy-driven programmes that UNDP customarily supports. It had a very broad base of institutional as well as public support.

- **Building absorptive capacity**: UNDP effectively performed its traditional role of building national capacity to absorb far larger funding than it would have been able to provide. In this case the initial source of funds was the EU, as well as other major donors, and later on the government, including both central and local authorities. However, UNDP’s capacity development was an essential prerequisite for the effective application of these funds.
MANAGING THE BLACK SEA AND THE DANUBE RIVER BASIN
Supporting Transformational Change

THE CASE STUDIES

MANAGING THE BLACK SEA AND THE DANUBE RIVER BASIN

Synopsis

The story of the Danube and Black Sea programmes over the past 20 years is the story of UNDP providing the kind of support that falls directly within its mandate as the UN’s development coordination and capacity development partner – promoting integrated management of shared aquatic ecosystems through governance reform at regional and national levels. It was precipitated by the dissolution of the Soviet Union and necessitated by the serious deterioration of the river basin and the Black Sea as a result of environmentally unsustainable economic development in the 1970s and 1980s, during which time there was a steep decline in water quality, fisheries stocks, tourism and livelihoods.

The programme has brought together 17 countries in a joint endeavour to manage these very large shared freshwater and marine ecosystems for the benefit of the affected population. During the 1990s and the early years of the 21st century, there was a steady and strategic escalation of programmatic attempts to address all the interrelated challenges posed by the deterioration of these closely linked systems. These were supported by UNDP, the Global Environment Facility (GEF), the World Bank and the European Union (EU). By 2011, self-sustaining and fully capacitated intergovernmental bodies for the Danube and Black Sea were in place – and verifiable evidence of substantial improvements in water quality, ecosystem health, and the economic activities dependent upon functioning ecosystems.

The Black Sea and the Danube River Basin
There had been a **steady increase in pollution** in the Danube/Black Sea basin, a result of **excessive agricultural, industrial** and **poorly or untreated wastewater discharge**.

**An ecosystem at risk**

The Danube is the most international river basin in the world, encompassing 19 countries. From its headwaters in Bavarian Germany, it flows through numerous countries of the former Eastern Bloc, discharging into the Black Sea, for which it is the main source of freshwater. The Black Sea itself is the world’s most isolated sea, connected to the Mediterranean through the narrow Bosphorus and to the Sea of Azov through the Kerch Strait.

The Danube/Black Sea basin ecosystem represents a classic example of the benefits of multi-country management of a shared resource, and the opportunity to press ahead with such an ambitious initiative was presented by the dissolution of the Soviet Union in the early 1990s. This collective endeavour began with a Diplomatic Conference on the Protection of the Black Sea, held in Bucharest in April 1992, which led to the successful negotiation of the Bucharest Convention on Protection of the Black Sea. A year later, in 1993 the Bucharest Convention had been signed by all six countries; the Bucharest Convention came into force on 15 January 1994. This in turn launched the first UNDP/GEF-supported intervention in the Black Sea, including preparation of the (world’s) first Transboundary Diagnostic Analysis (TDA).

During the preceding two decades or more, there had been a steady increase in pollution, particularly of the nutrients nitrogen and phosphorus, resulting from excessive agricultural, industrial and poorly or untreated wastewater discharge, emanating principally from the Danube, Dniester and Dnipro River basins. Through a process known as ‘eutrophication’, excess nutrient inputs lead to overgrowth of plant plankton, which, upon their death and decay by aerobic (oxygen-using) bacteria, can lead to significant depletion in the oxygen level and sub-oxic or even anoxic conditions in affected waters. This led to a significant decline in fish stocks and the spoiling of recreational beaches at popular tourist destinations. Waterborne diseases, including outbreaks of cholera, were common along the Black Sea coast, and the annual value of the fisheries industry declined by US$300 million between the mid-1980s and the mid-1990s.

**A joint response to a shared challenge**

Since inception of the programmes for both the Danube and Black Sea – parallel programmes with multiple interdependencies – UNDP has worked closely with the GEF not only because the GEF could provide essential financial resources but because it also had a well-established strategic scientific methodology (Transboundary Diagnostic Analysis/Strategic Action Programme) for addressing the ecological challenges of shared water systems like these. For its part, UNDP brought its extensive experience of neutrally convening governments; building national and international capacity; and the coordination of the UN System.
The Benguela Current Large Marine Ecosystem (BCLME) is one of the most productive fisheries in the world. It stretches from the Cape of Good Hope in South Africa northwards into Angolan waters, encompassing the whole of Namibia’s marine environment. The nutrients that rise from the depths of the ocean along this current make it an important centre of marine biodiversity and global marine food production. In addition to a fluctuating climate the BCLME has also been stressed by overfishing, oil and gas extraction and diamond mining.

In the 1980s scientists found that warming in the Benguela was shifting currents and impacting on fisheries and sensitive biodiversity such as penguins and seals. A steep decline in fish production due to poorly managed fishing practices also became a concern for the region’s economy. In 1995 the countries reliant on the Benguela requested UNDP/GEF assistance to prepare an International Waters project to help manage their shared marine ecosystem. With UNDP assistance the three countries worked together to prepare a Transboundary Diagnostic Analysis (TDA), which provided the scientific basis to develop a Strategic Action Programme (SAP). Through ministerial endorsement of the SAP in 2000, the countries committed to implement an agreed set of transboundary priority actions, including joint surveys and assessments of shared fish stocks, standardized management approaches, monitoring of ecosystem health and algal blooms, and both technical and institutional capacity development for joint management and policy harmonization.

In 2006 the cooperative relationship and the regional cohesion strengthened over time by the project was formalized through the establishment of the world’s first LME Commission – the Benguela Current Commission (BCC). The strong political commitment demonstrated by the three countries was critical not only to establish the BCC but to successfully mobilize more than US$18 million towards implementing the SAP.

and other partners towards advancing the necessary multi-country governance reforms for sustainable use of these water bodies. Together with the political drive of the EU and the technical and financial weight of the World Bank and the European Bank for Reconstruction and Development (EBRD), a series of interrelated programmes were established and implemented over the past 15 years.

The first step was taken by the EU, which was the main driver for Integrated River Basin Management (IRBM) in the Danube, beginning in 1991, paving the way for UNDP/GEF support. This was followed in 1993 by the Bucharest Convention on Protection of the Black Sea, which was signed by the riparian states. This in turn led to the first UNDP/GEF project for the Black Sea, which undertook a TDA as the basis for a Strategic Action Programme (SAP) for the Rehabilitation and Protection of the Black Sea (BSSAP) which was adopted at high level by all six countries in 1996. In the ensuing decade a coordinated series of programmes were developed at country as well as intercountry level to support regional and national implementation of both the Black Sea and Danube SAPs.

These programmes revolved around either the Danube River or the Black Sea, with different participating countries, depending on the issue being addressed. In all cases, however, they were interconnected and mutually supportive of the overall objective of collective management, restoration and protection of the Danube-Black Sea shared ecosystems. As noted above, these programmes supported the creation and strengthening of new intergovernmental structures to guide and oversee the programmes as they continued to evolve. In simplified form, they can be summarized as follows:

Between 1991 and 2000, two successive UNDP/GEF-led Danube River Basin Programmes drove the Danube side of the integrated approach, while another two programmes in the Black
Sea addressed the other component of the interconnected issue during the same period.

In 2001, a Strategic Partnership was established which brought the two water bodies and their key government, intergovernmental, donor and civil society stakeholders together into a ‘basin-wide approach’ which comprised three main components:

- The UNDP/GEF Danube Regional Project (DRP) was implemented by UNDP and involved the International Commission for the Protection of the Danube River (ICPDR).
- The UNDP/GEF Black Sea Ecosystem Recovery Project (BSERP) was developed under the aegis of GEF and involved UNDP, UNEP and UNOPS.
- The World Bank/GEF Investment Fund for Nutrient Reduction (IFNR) was an investment fund created by the World Bank and designed to provide catalytic GEF grant.

CONCEPTUAL FRAMEWORK FOR THE DANUBE RIVER BASIN/BLACK SEA PROGRAMMES


UNDP/GEF Regional TDA-SAP foundational Projects (4) in the Danube and the Black Sea Basins

In this initial phase, UNDP/GEF joined forces with related EU programmes as a catalyst for accelerated action. During this same period both the Danube and the Black Sea Conventions entered into force. As a result of UNDP/GEF action, the main transboundary concern – nutrient over-enrichment – was identified and agreed upon by the countries, and specific Action Programmes were endorsed at interministerial level in all countries of the Black Sea Basin. This allowed the countries to move to the phase of stress reduction.

SAP Implementation – Stress Reduction Measures 2001–2010

Black Sea Basin Strategic Partnership on Nutrient Reduction
- Black Sea Basin Countries, the Danube and Black Sea Commissions, GEF, GEF IAs, EIB, EBRD, EU (Tacis, Phare, CASDE, SAPARD), others

- World Bank Partnership Investment Fund for Nutrient Reduction
  Demonstration Projects

- Subprojects
  - Agricultural reforms and practices; wetland restoration and/or construction; tertiary waste water treatments (clean technologies)

- UNDP/GEF Regional Projects within the framework of the Danube and Black Sea Commissions
  Incorporation of nutrient reduction into conventions reforms, capacity building, replication mechanisms

- Dnipro River Basin SAP Implementation Project

Long-Term Objective: Permit Black Sea ecosystems to recover to similar conditions as those observed in 1960

Intermediate Objective: Maintain discharges of nitrogen and phosphorus at or below the levels observed in 1997
support (US$75 million) to leverage World Bank investment finance, at a 3–4:1 ratio, for nutrient reduction investments.

The overall phasing and components of the programme are summarized in the diagram below, which distinguishes between the ‘foundational’ phase and the ‘implementation’ phase. The primary purpose of the first two elements of the Strategic Partnership was to put in place sustainable systems of Danube and Black Sea management and governance, while the focus of the investment fund was to pilot and catalyse nutrient reduction investments in areas such as wastewater treatment, manure management and industrial pollution reduction.

The GEF Strategic Partnership on Nutrient Reduction for the Black Sea and Danube Basin was in total a US$97 million capacity-building and investment programme aimed to restore the Black Sea ecosystem to its 1960s condition. The project implementing agencies’ GEF and non-GEF funding contributions were as follows:

- World Bank/GEF: US$70 million
- UNDP/GEF (DRP): US$17 million
- UNDP/GEF (BSERP): US$10 million
- EU: US$6.5 million
- Country Share: US$14.1 million

Deterioration reversed and prospects transformed

The impact of more than 15 years of UNDP/GEF collaboration with the 17 participating countries, and the Danube and Black Sea Commissions, in the Danube and Black Sea Basins takes the form of sustainable intergovernmental structures, several billion dollars in pollution reduction and habitat restoration investments, enhanced national capacities to manage and reduce pollution, measurable reductions in pollution loads to both water bodies, and demonstrable improvements in Danube and Black Sea ecosystem health. The following are a few of the milestones that have been achieved:

- The entry into force and full operationalization of the Bucharest and Sofia Conventions and their Commissions, which represented the basic legal and institutional framework for all the work;
- The Danube and the Black Sea Convention Secretariats established on a sustainable basis in terms of capacity and financing;
- Multi-country agreement on the priority transboundary threat to the two water bodies (excess nutrient pollution) and immediate and ‘root’ causes of this threat;
- Multi-country agreement on the necessary governance reforms – policy, regulatory and institutional – to address the nutrient issue at the level of the entire Danube/Black Sea basin;
- Substantial initial progress in the adoption and implementation of nutrient reduction governance reforms including progress in both new EU and non-EU member states in adopting and implementing legislation in accord with relevant statutes of the EU Water Framework Directive (Agriculture/Nitrates, Urban Wastewater, etc.);
- The GEF Strategic Partnership for the Black Sea and Danube Basin, launched in 2001, is a US$97 million support framework providing catalytic investment finance and capacity-building to the 17 countries in the basin;
- Over US$3.5 billion in investments in pollution reduction and habitat restoration in the Danube River basin and the Black Sea countries, including municipal wastewater treatment, agricultural nutrient management, industrial pollution reduction and wetlands restoration;
• Demonstrable reductions in nutrient pollution loads to the Danube and Black Sea resulting from nutrient reduction investments and initial implementation of governance reforms targeting improved management of nutrient pollution sources (agriculture, wastewater, industry);

• Demonstrated improvement in the ecological status of both the Danube River and the downstream Black Sea, including virtual elimination of the Black Sea’s dead zone – the first recorded reversal of a dead zone of this scale ever achieved – and return to the Black Sea of a number of key species considered locally extinct;

• Development of the Black Sea Monitoring and Assessment Programme (BSIMAP) – pilot monitoring exercises, inter-calibration exercises, capacity-building workshops, development of handbooks/manuals including Quality Assurance guidelines, and provision of monitoring equipment;

• Development and implementation of the Black Sea Vessel Traffic Oil Pollution Information System;

• Progressive implementation at country level of the various EU directives on environmental pollution.

• Development and installation in the joint office of the BSC and BSERP of the Black Sea Information System to support regular reporting of the Black Sea countries to the Commission, and the Commission to EEA;

• Development of the Black Sea NGO network and involvement of NGOs in the project activity;

• Considerable increase of public involvement in the activities of the Black Sea Commission and BSERP, including celebration of the now annual International Black Sea and International Danube Days in the basin.

Naturally, all of the above continues to be a work in progress throughout the Danube and Black Sea regions, especially as the whole region continues to develop economically, with new potential challenges and risks to environmental sustainability. The Danube and the Black Sea countries now have legal, institutional, policy and financial mechanisms in place to continue to manage and moderate

**Mekong River Commission (MRC)**

The Mekong River flows through six countries on its route to the South China Sea: China, Myanmar, Laos, Thailand, Cambodia and Vietnam. It is, therefore, a classic example of the benefits of intergovernmental management of a shared ecosystem. UNDP has, therefore, been involved in supporting integrated management of the Mekong River basin since the 1960s, always in close collaboration with the UN’s regional commission, ESCAP.

UNDP support has comprised both capacity development and support to the substantive work of the international institution, which has included strategic planning, fisheries management, commercial transport links and eco-system management. With regard to the latter, UNDP has most recently worked with the GEF and the World Conservation Union (IUCN) to ensure integrated and sustainable plans.

Institutionally, the organizational arrangements progressed through the Mekong Committee, a regional project supported by the UN, through the Interim Mekong Secretariat from 1977 through 1992 – a period when Khmer Rouge-ruled Cambodia withdrew its participation and the institution was kept alive by UNDP – until in 2005 the Mekong River Commission, a genuinely intergovernmental body, came into existence.

The MRC has only four full members, with Myanmar and China electing to have only observer status at the present time. However, sharing of data, if not joint planning, with these two riparian states has steadily increased. And the MRC provides an indispensable forum for addressing inevitable intraregional resource conflicts.

Naturally, all of the above continues to be a work in progress throughout the Danube and Black Sea regions, especially as the whole region continues to develop economically, with new potential challenges and risks to environmental sustainability. The Danube and the Black Sea countries now have legal, institutional, policy and financial mechanisms in place to continue to manage and moderate
the impact of nutrient pollution on these two globally significant water bodies. As the post-crisis economic recovery proceeds and strong growth resumes, particularly in central and eastern Europe, special attention will need to be paid to ensuring effective implementation, monitoring and enforcement of key nutrient management commitments each country in the basin has made. Capacity development and national programme development has by no means been wholly successful in all 17 of the riparian states. But real, transformational progress has been made throughout the region and will assuredly continue into the future.

Lessons learned

The 15 years of UNDP/GEF support to improving multi-country environmental governance in the Danube-Black Sea basin provides a rich array of lessons to be learned in such programmes. As noted earlier, the strong political imperative to integrate former Eastern Bloc countries into Western Europe, a drive that was reciprocated in almost all cases, provided a key ingredient to the programmes’ evident success. While the unique challenges – and opportunities – associated with the EU accession process of the post-Soviet environment of the 1990s is not likely to be replicated, this should not dissuade UNDP and others from promoting such ‘regional public goods’ in the interest of sustaining the earth’s many critical shared freshwater and marine ecosystems which are the rule not the exception. The ‘value added’ of making such investments is underscored by the fact that, globally, the market value of marine and coastal resources and industries is estimated at US$3 trillion per year or about 5 percent of global GDP, and an estimated 63 percent of global ‘ecosystems services’ are provided by marine and coastal systems.

The following lessons could be drawn from this case study of UNDP’s transformational impact:

- **Intergovernmental processes take time and sustained support:** Intergovernmental programmes are more complex – both institutionally and politically – than national ones. Donors should plan on long time horizons of financing, capacity-building and institutional support – 10, 15 even 20 years in many cases – to successfully foster and sustain the multi-country governance reforms and investments needed to put in place sustainable management regimes for large-scale shared water bodies. Around the world, there are numerous examples of this lesson – even among the richest countries, such as the USA and Canada, which took over 30 years to put in place effective institutional and other mechanisms to begin the restoration of the shared Great Lakes, also still a ‘work in progress’ to this day.

There has been demonstrated improvement, including **virtual elimination** of the Black Sea’s dead zone – the **first recorded reversal** of a dead zone of this scale **ever achieved**.
- **Political will born of national ownership** is a *sine qua non* for sustained intergovernmental collaboration. This takes time to develop but can be driven by substance or by political context. In the case of the Danube and the Black Sea, the severity of the environmental deterioration would not necessarily have been sufficient without the drive of post-Soviet Bloc countries to integrate with Western Europe, a political drive which was reciprocated. This was reinforced by the wide range of EU directives with which prospective EU members were obliged to comply.

- **Multiple partnerships are essential:** The programme was characterized by a multiplicity of national and international partners which each brought something to the table. From the outset, UNDP played an important facilitative and coordinating role in this collaboration, a necessary but not a sufficient condition for its success. The partnership approach that was applied, from the initial phases of developing the Danube and Black Sea SAPs, to the strengthening of the two Commissions, to the GEF Strategic Partnership on nutrient reduction, were all key ingredients in ensuring that each organization played its role towards the overall objective.

- **Robust technical analysis is the starting point:** At a number of levels, the longer-term UNDP/GEF engagement was based on the TDA which GEF and UNDP uses as a ‘fact-finding’ and priority-setting tool for the large majority of its international waters programmes. The TDA, by providing a robust technical basis for identifying and prioritizing transboundary issues and their causes, ensures that a strategic approach is taken to address issues at the ‘root cause’ level (for example, governance failure). This analysis set the direction and priorities for the next 15 years of national actions, international collaboration and UNDP development cooperation.

- **Capacity development is at the heart of successful development cooperation:** From the outset, the Danube-Black Sea programmes focused on national and regional capacity development. Without this, the extensive funding that was provided by the GEF, EU, the EBRD and the World Bank could not have been effectively utilized.
BANGLADESH: DISASTER RISK REDUCTION AS DEVELOPMENT
BANGLADESH: DISASTER RISK REDUCTION AS DEVELOPMENT

Synopsis

Situated on the delta of three of South Asia’s largest rivers, the Ganges, the Brahmaputra and the Jamuna, Bangladesh has a long history of natural disasters: cyclones, floods, droughts and saline tidal surges. Lives and livelihoods are lost almost every year, and hard-won development progress is often disrupted or even reversed. Through its extensive and traumatic experience of natural disasters, Bangladesh has learned the hard way the fundamental importance of an approach to disaster management that focuses on risk reduction beforehand, response during and recovery afterwards. Successive disasters have brought death and destruction, but they have also been opportunities to learn and improve; opportunities which successive governments and the people of Bangladesh have not missed, as the consistent decline in fatalities and losses over the course of recent decades shows.

UNDP has long been a partner to the government in addressing this strategically important area. Beginning in the 1970s with the provision of support for improved early warning systems, UNDP has assisted Bangladesh through a fundamental transformation in its approach to disaster management, supporting a paradigm shift away from reactive relief to proactive risk reduction. UNDP, along with other donors, has helped to reinforce institutional and policy frameworks; built the capacity of individuals, communities and government bodies; and supported improved leadership and coordination.

The results of this journey over several decades are readily apparent in the steady reduction in the number of lives and livelihoods destroyed, and in the way the nation has built back better each time. Over the course of recent decades Bangladesh has steadily built its defences against the natural hazards that regularly buffet it, and in the last 10 years it has succeeded in fundamentally altering the way disaster risk reduction in this disaster-prone country is thought and practised. Today, Bangladesh stands as a global leader and innovator in the field of disaster management and risk reduction, offering lessons in success for developing and developed nations alike. This is a truly transformational change.

A Country of Exceptional Vulnerability to Natural Hazards

Bangladesh is a low-income country with many development challenges. Although it has achieved an annual average growth rate of 6 percent over the past decade, and made significant progress towards
achievement of the Millennium Development Goals (MDGs), around one third of its population still lives below the poverty line, and 17 percent or some 27 million people still live in extreme poverty (Household Income Expenditure Survey, 2010). Between 1980 and 2008, Bangladesh was affected by 219 natural disasters – or more than seven disasters per year – causing over US$16 billion in damage. Naturally, one of the most pressing development challenges for Bangladesh is the protection of the population from the disasters that regularly devastate the country and turn the clock back on development gains.

According to a UNDP estimate, Bangladesh, situated on one of the globe’s largest river deltas, is the world’s sixth most vulnerable country to flood. In a normal flood year, nearly 20 percent of Bangladesh’s land mass is covered by nutrient-rich, manageable floodwaters. Yet during a periodic or disastrous flood, such as that of 1998, up to 68 percent of landmass can be covered, causing tremendous damage.

Bangladesh’s geographical position also puts it regularly in the path of tropical cyclones from the Bay of Bengal. For the numerous and densely populated communities who live along the coastline, these cyclones and the tidal surges they cause not only represent immediate danger but also mean a loss of livelihood through loss of cultivable land associated with increased water salinity.

The predicted effects of climate change will compound this already complex disaster scenario. The UN Environment Programme identifies Bangladesh as the most vulnerable country in the world to rising sea levels, highlighting that a 1.5-metre rise would submerge 16 percent of the country and directly affect 17 million people. This is in addition to effects already being felt through the increased frequency and severity of sudden-onset disasters such as floods or cyclones or slow-burn threats such as drought caused by heavy siltation.

Successive disasters have brought death and destruction, but they have also been opportunities for Bangladesh to learn and improve.
and low dry-season water levels that decimate agricultural production.

Towards a comprehensive programme of disaster mitigation

Given this vulnerability, disaster management has long been a priority for successive governments: a journey of transformational change that has moved through a series of phases, each successfully building upon the knowledge, practice, successes and failures of the previous.

In the 1980s, following a series of colossal floods, Bangladesh began to reassess its approach to disaster management. Departing from a traditionally reactive relief focus, the government, with support from UNDP, developed the flood management policy and road map for the Flood Action Plan through a massive multidimensional study. This represented a major injection of new knowledge and breakthrough technology and created for the first time the space to re-think and identify options for better preparedness. As a result of the Flood Action Plan, new disaster institutions such as the Flood Forecasting Warning Centre were established, pilot projects such as river training to protect Bangladesh’s embankments were rolled out, and government guidelines were developed to be embedded into all future policy and planning. Most significantly, the Flood Action Plan introduced a new culture of disaster management and risk reduction in Bangladesh, and marked the beginning of a transformational change in approach. In the 1980s, UNDP also supported the government in the establishment of the River Research Institute and contributed to the preparation of the Master Plan for Water Resource Management.

The catastrophic cyclone in 1991 that killed over 138,000 people and left 10 million homeless galvanized the government and the international donor community into action to further improve natural disaster management initiatives. With support from UNDP the government established a new and dedicated agency, the Disaster Management Bureau (DMB), in 1993. Tasked with reducing the human, economic and environmental costs of disasters, and strengthening national capacities and cross-sectoral partnerships, the DMB soon became the institutional foundation stone of an integrated national approach to disaster risk reduction, response and recovery.

Between 1994 and 2002, UNDP worked with the government to develop a suite of policies that built upon the DMB’s establishment and operationalized this new proactive approach. One such policy was the Standing Orders on Disaster of 1997 (updated in 2008, again with UNDP support). Now considered fundamental to the transformation that followed, it played a critical role in empowering disaster management committees at all levels to effectively
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plan and coordinate risk reduction and emergency response. Additional reforms supported by UNDP during this period included the preparation of Local Disaster Action Plans in 29 districts, 776 Union Parishads (lowest tier of local government) and 24 municipalities, and the inclusion of disaster management topics in school curricula for classes V to XII.

By the early 2000s there was growing consensus that the new approach needed to be consolidated. The National Disaster Management Council (NDMC), headed by the Prime Minister, was established, and coordinating structures that embraced and leveraged the strengths of civil society organizations and local government authorities were introduced. Building on a strong history of support to government, UNDP supported this consolidation of the new disaster response paradigm in the flagship multi-donor Comprehensive Disaster Management Programme (CDMP). This support also included other elements such as the Disaster Response Facility and Community Based Adaptation to Climate Change through Coastal Afforestation.

To this end, CDMP’s first phase (2004–2009) inspired a new business plan for the government, which included revised policies, strategies and mechanisms to screen development programmes through a ‘risk-lens’. Bangladesh also became one of the pioneers among Least Developed Countries in prioritizing disaster risk reduction as part of the national fiscal planning process. Furthermore, with CDMP assistance, Bangladesh adopted for the first time a multi-hazard, ‘all-risks’, national risk reduction model that encouraged national stakeholders to consider existing disaster risks as well as the risks of projected climate extremes in their efforts to build national and community resilience.

This portfolio of supportive interventions has helped Bangladesh to build the physical assets, knowledge base and human capacity, and planning, coordination, finance and implementation mechanisms that underpin the nation’s highly successful disaster management and risk reduction system. UNDP’s support has involved the following activities:

- **Early warning systems** for cyclones and floods through national agencies such as the Storm Warning Centre of the Meteorological Department help to translate masses of technical data into rapid response information for communities. Readily available technologies such as mobile phones are now used to disseminate this information.

- **Community-based preparedness** is a major reason for the decrease in the number of deaths in recent years. UNDP helped strengthen local-level disaster frameworks by supporting Disaster Management Committees (DMCs) at district, Upazila and Union Parishad levels and locally relevant action through thousands of village-level Community Risk Assessments and related Action Plans. Now covering almost half of the country, these plans are financially supported by the Local Disaster Risk Reduction Fund, a funding mechanism
that provides resources to the most vulnerable groups for local implementation.

- **Policies** that represent global best practice, adapted to the realities of the Bangladesh context, have been developed with technical assistance from UNDP, including the Standing Orders on Disaster, the Disaster Management Act, and the National Adaptation Programme of Action.

- **Greater coordination** across a system that includes 2000 Union Parishad DMCs, 40 district DMCs, 12 key line ministries and six donors has been supported by UNDP and has meant increased efficiency in the spread of information, a reduction of waste from duplicated interventions and a clear chain of command during times of crisis.

- **Climate change** has been mainstreamed as part of disaster risk reduction through the establishment of the Climate Change Cell (CCC), charged with translating global trends into local-level implications.

- **Skill training** has been provided for thousands of government officials on disaster planning and management, and disaster management subjects at primary and secondary schools and dedicated degree programmes across 22 tertiary institutions have been introduced.

- **Risk reduction provisions in all development programmes** have been expanded to comprehensively address livelihoods, adaptation skill development, resettlement and structural reconstruction efforts in cooperation with local experts and specialized international organizations such as FAO, WFP, UNHABITAT and the International Rice Research Institute.

- **Innovative technology has been introduced** by UNDP in constructing over 15,000 disaster-resilient homes (30 percent for women-headed households) in highly vulnerable communities and hundreds of cyclone shelters. UNDP has also supported the development and adoption of drought-resistant rice and pulse varieties as well as saline-resistant rice varieties for communities becoming increasingly vulnerable to drought and salinity intrusion due to the impact of climate change. Similarly, mangrove afforestation, first piloted in 2006 to trap sediment along the coastal belt, is now guarding vulnerable communities from the increasing severity and intensity of climatic events, such as cyclones and tidal surges, as well as creating greater areas of usable land in the long run.

**Making a difference: the transformational impact**

This succession of UNDP-supported programmes has enabled Bangladesh to establish the policies, structures, institutions and capacities to plan well for natural disasters, minimize their impact and accelerate recovery in their aftermath. This has been done through an approach that integrates the disaster management cycle with poverty reduction and has been achieved at the community level in the country’s most vulnerable areas, as well as at the national and subnational level.

Successive governments have made consistent, coordinated and significant investments in support of this comprehensive risk reduction agenda. The national and local institutions involved in preparedness, response and recovery have been created, resourced and empowered; the nation’s human capital, both professional and volunteer, has been trained and engaged as part of a coherent system; and strategic physical assets such as cyclone shelters or embankments have been regularly supported and reappraised, matching the latest in risk reduction practice. All of these investments have contributed to a drastically
changed disaster scenario, and this transformation in approach, supported by UNDP over several decades, has clearly and significantly contributed to a significant mitigation of the impact of natural disasters. Fundamental to this transformation are several key aspects:

- **A fresh approach:** In the wake of floods in the 1980s, Bangladesh embarked on a new approach to disaster management, seeking to move from reactive response and rehabilitation to proactive risk reduction. UNDP support for this change helped reduce the impact of disasters and the numbers of people and communities at risk by encouraging the embedding of a risk reduction focus within national policies, institutions and programmes. Following the successes of the mid-1990s, UNDP, with support from several key development partners, commissioned a process that helped the government to steer and involve all ministries and stakeholders to conceive of, and plan for, disaster risk reduction as a development agenda. This consolidation of the lessons and experience of the previous decade led to the formulation and design of CDMP and the affirmation of a comprehensive national risk reduction agenda. This is an approach that now supports Bangladesh to build back better, stronger and more resilient after each disaster, and has fostered an integrated and proactive understanding of disaster management that sees it linked to poverty reduction for sustainability. It represents a fundamental transformation in the very conceptualization and practice of disaster management and risk reduction.

- **Leadership:** Replacing formerly ad hoc and reactive structures, Bangladesh now has a clear system of coordination marked by dedicated leadership. This leadership and coordination framework stretches from the NDMC, chaired by the Prime Minister, to a functioning network of over 2000 village-level disaster committees, in addition to 40 district DMCs, 12 directly involved line ministries and six key donor partners. CDMP alone has a vast network of over 75 local NGOs through which it implements its risk reduction programme. Supported by UNDP, this enormous system enables Bangladesh to quickly and easily access the information and knowledge it needs.

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**Disaster Risk Reduction in the Philippines**

Another country with high exposure to natural disasters is the Philippines, which regularly experiences practically all possible variations: cyclones, volcanoes, earthquakes, floods, tsunamis, etc.

UNDP’s support for national and local capacity development in this area goes back many years. In 1991, when Mount Pinatubo erupted, UNDP was already working with the Natural Disaster Management Council (NDMC) and worked with it throughout the 1990s to build national and local capacity for disaster mitigation, preparedness and response, honing national skills on a series of natural disasters during that period.

More recently, in the last 10 years, UNDP’s support has focused on supporting the application of disaster risk assessment, led by the then National Disaster Coordination Council (NDCC); mainstreaming risk reduction into development planning, with the National Economic Development Agency (NEDA); and capacity development for climate change adaptation, a UN interagency programme supporting a variety of different government departments.

Its current engagement is with the recently re-named National Disaster Risk Management Council (NDRMC). UNDP support is intended to assist the Council and its secretariat to expand its role and capacity-building efforts at the community level.

The Philippines is now widely regarded as having one of the most effective national capacities for disaster risk reduction, as a result of this concerted and progressive programme of capacity development spanning the last several decades.
With a population of more than 200 million, Indonesia is one of the countries most vulnerable
to natural disasters. Sitting on the intersection between three tectonic plates and with more
than 500 volcanoes, it also experiences frequent floods and forest fires. Prior to the December
26, 2004 Tsunami, efforts had been made to instigate legal reform for Disaster Management
and to advocate for Disaster Risk Reduction principles. However, political will and funding
support for DM was overshadowed by emergency responses to national security threats such
as sub-national social conflicts and acts of terrorism.

The country’s vulnerability to disasters was brought into sharp relief in the wake of the 2004
Tsunami which helped to provide the political stimulus to strengthen the country’s capacities
in DRR processes – prevention, mitigation, response and recovery. Post the tsunami,
Indonesia took advantage of DRR initiatives at the international level, such as the Hyogo
Framework for Action (HFA) 2005-2015. The HFA places DRR at the centre of sustainable
development planning and provide benchmarks for a country to assess and report on its
achievements against the Framework’s 5 priorities.

In parallel to the national reform process, UNDP and its partners supported a substantial five
year nationwide programme, Safer Communities through Disaster Risk Reduction (SCDRR),
intended to reinforce local-level disaster management capacities. Legislation was introduced
which, inter alia, obliged all local authorities to plan, budget and staff for a DRR programme.
The Indonesian National Disaster Management Agency was created and charged with taking
this law forward.

One very important product of the partnerships generated by these national and local
efforts has been the development of the National Platform for DRR. The Platform is a multi-
stakeholder forum to advocate for DRR and provide advice and advocacy on priority issues.
This national forum has in turn triggered the formation of local platforms for DRR.

The GOI has also taken steps to decentralise DM responsibilities, though major challenges
remain with respect to the capacities in place and resources available at the sub-national level.

Many of these efforts to strengthen Indonesia’s DRR and DM culture, laws and institutions
have been built on the longstanding partnership between the GOI and UNDP. This partnership
was founded, in the first instance, on the support provided by the RC’s Office to national
cooperation efforts in response to a succession of natural disasters in the past, and
strengthened through the close working relationship with UNDP which has been helping
to develop national capacities for risk reduction, response and recovery. But it required the
Asian Tsunami to precipitate sustained capacity development in this area.

to plan for disasters, to clearly and effectively communicate during times of crisis, and to
identify and address vulnerabilities across all levels in early recovery and post-disaster risk
reduction work.

The effectiveness of this immense coordination and leadership structure was powerfully illustrated
in 2008 through UNDP provision of early recovery assistance for shelter reconstruction and livelihood
support following cyclone Sidr and multiple severe
floods in 2007 involving multiple government, non-government and donor partners and UN bodies. This level of community involvement in the disaster management system also means that Bangladesh now addresses disasters in ways that work for local contexts and realities. In the first phase of CDMP over 500 Community Risk Assessments were completed in 500 Union Parishads, with the attendant local-level schemes (such as plinth raising), benefiting over 600,000 people and laying out a replicable model for ensuring that local-level disaster risk reduction activities accord with local needs and contexts.

**Capacity development:**

- **Training programmes** for over 60,000 government officials covering basic emergency response have helped standardize and professionalize Bangladesh’s human capital in the area of disaster management. Work with civil society and volunteer organizations such as the Bangladesh Scouts has also helped to mobilize an even greater pool of knowledgeable and dedicated disaster first responders, a major risk reduction achievement. Building on this will see CDMP II training over 62,000 urban volunteers, a key risk area for a country experiencing such rapid urbanization as Bangladesh. Whether through on-the-job training for government employees, the introduction of disaster management concepts at primary and secondary levels, or dedicated tertiary degrees, Bangladesh now has a new class of disaster management professionals trained in global best practice and intimately familiar with national realities.

- **Institutions and policies** have not only operationalized Bangladesh’s integrated risk reduction approach, but have fostered partnerships and coordination across the nation’s enormous disaster management system. Dedicated institutions with clear mandates such as the DMB have provided clear focal points for development partners to work with and have streamlined interventions. With UNDP support, national institutions such as the DMB have learned to become proactive, make better use of early warning systems, and to devise locally appropriate mitigation strategies to reduce losses from natural disasters ranging from shelter construction to livelihood support, helping to guarantee the long-term sustainability of the transformation.

- **Civil society engagement:** Furthermore, through CDMP’s network of dozens of local NGOs, as well as civil society partners, the capacity of institutions beyond the formal government aegis has also been enhanced. UNDP support and advocacy for the role of civil society organizations such as centres for excellence, such as the Centre for Environmental and Geographic Information Services as a result of the Flood Action Plan, or through subsequent engagement with leading NGOs, think tanks or the media has recognized and empowered a major tool for leveraging change in Bangladesh.

**The multi-hazard focus** of national and community efforts has seen a dramatic increase in Bangladesh’s resilience. Building on the Hyogo Framework for Action best practice and accurately reflecting the nation’s disaster dynamic, this ‘all-risks’ focus means that Bangladesh is able to future-proof national development policies by embedding disaster risk reduction principles, or seamlessly integrate climate change adaptation responses by leveraging the strengths of the disaster risk reduction system.

With UNDP support, the focus in disaster management and risk reduction has expanded to include a much broader range of potential hazards affecting the people, their livelihoods and the economy. It is a fundamental change in focus that has delivered flexibility, relevance and effectiveness across the system and has been the
key to Bangladesh’s success. This has been seen and validated by the success of Community Action Plans supported by CDMP which have linked local disaster risk reduction with livelihoods, to more recent integration between climate change adaptation aims and proven risk reduction techniques, incentivized by embedding such initiatives in sustainable livelihood generation work.

The disaster dynamic has also altered through the impact of climate change. UNDP’s own support has followed suit, incorporating this fundamental challenge within the comprehensive multi-hazard approach pioneered by the government and CDMP. The National Adaptation Plan of Action was revised in 2009 with UNDP assistance, and in areas affected by cyclones Sidr and Aila a new model for community-based ‘climate-resilient habitat’ has been promoted.

The government has also developed its Climate Change Strategy and Action Plan (BCCSAP) based on the UNDP-supported NAPA and set up a number of dedicated funds such as the Climate Change Trust Fund (CCTF) and the Bangladesh Climate Resilience Fund to provide funding support for implementation of these action plans. Ongoing UNDP assistance is planned in support of the government’s creation of a full-fledged Climate Change Department.

Arguably, the most significant measure of this success is the dramatic reduction in lives and livelihoods destroyed when natural disasters strike. Historically deaths from single events such as cyclones in Bangladesh have reached into the hundreds of thousands. Yet as the following graph illustrates, with the exception of two unusually violent cyclones in 1995 and 1998, the general trend has been steadily downwards:

**TOTAL NUMBER OF DEATHS BY FLOOD AND CYCLONE, 1970 TO 2010**

![Graph showing the reduction in deaths due to floods and storms, 1970-2010](source: Created from EM-DAT)
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The trend is underscored most clearly in the difference between the cyclones of 1991 and 2007. ‘Super cyclone’ Sidr of 2007 was stronger and struck a larger at-risk population but still caused less than 3 percent of the casualties of the cyclone of 1991. This was thanks to a combination of Bangladesh’s improved physical, institutional and human capacity (through activation of cyclone tracking early warning systems and the national preparedness system), improved coordination and leadership (evacuation of 3.2 million people within 48 hours) and the risk reduction approach and multi-hazard focus (stockpiled relief and rescue items reached 70 percent of affected areas within 24 hours). It represents one of the best examples worldwide of transformational change in a natural disaster management system.

Of course, challenges remain. The principal difficulty is in ensuring the same level of capacity throughout the country – and to sustain the impetus in the ‘normal’ periods between disasters. Mainstreaming disaster considerations and scaling them up in size and reach as part of development planning processes is a continual process in Bangladesh, as in other countries.

**Lessons learned**

The Bangladesh case study illustrates a number of lessons for practitioners of development cooperation. They may be summarized as follows:

- **Sustained engagement:** UNDP’s engagement with Bangladesh in the area of disaster risk reduction extends over several decades, and continues into the future. Given the complexity of the issues and the institutional challenges faced, there is no ‘quick fix’ available. The Bangladeshi experience also highlights the importance of gradual and self-supporting change. In addition, this engagement is most effective when spread across a range of stakeholders, from top levels of government to institutions of local government, from NGOs and think tanks to civil society and volunteer organizations. Even five-year programmes cannot be expected to transform the national situation alone. They can, however, move a longer-term process forward, as has self-evidently been the case in Bangladesh, now considered a global leader in this area.

- **Disaster risk assessment and mitigation needs community-level engagement:** The actual disaster risk faced by communities varies based on many factors including their geographical location, socio-economic characteristics, livelihood patterns, etc. An effective response requires action at the community level that actively seeks out and incorporates local needs, contexts and aspirations. As the Bangladesh case demonstrates well, a standardized framework of participatory risk assessment and mitigation plans involving everyone, especially those with special needs such as women, people with disabilities and the landless, can be successfully managed through a national programme while accounting for local-level variations and requirements. Importantly, to reap the benefit
of such a participatory approach, plans need to be linked to adequate funding sources such as CDMP’s Local Disaster Risk Reduction Fund (LDRRF), which in its first phase benefitted over 600,000 people in vulnerable districts.

• **Partnership frameworks**: Perhaps because of its high level of trust with its member states, UNDP often takes the role of advocating and supporting national policy and programming structures. However, the success of such ‘back room work’ depends on there being proactive government leadership and a wide range of partners who will support implementation, with more resources than UNDP can characteristically bring to bear. UNDP has successfully leveraged its impartial, ‘knowledge-broker’ status over the course of several decades to bring together a partnerships network in the disaster sector that involves thousands of local government bodies, tens of dozens of NGOs and civil society organizations, a growing number of development partners and, crucially, 12 line ministries that are actively integrating disaster risk reduction concepts into policies, plans and programmes from agriculture to energy.

• **Institutional reform and capacity-building** are at the heart of successful development cooperation and are a prerequisite for real transformational change. With judicious support from UNDP and others, Bangladesh has become a leader both in terms of its overall approach as well as for its institutional framework for disaster risk reduction and sustainable development, with a large number of core government policies, plans and programmes now requiring disaster risk reduction principles to be incorporated from the earliest conceptualization stages.
EL SALVADOR: AN EARLY EXAMPLE OF PEACEBUILDING
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Synopsis

El Salvador represented the first test case of the UN’s Agenda for Peace, promulgated by then Secretary-General Boutros Boutros Ghali. In 1992, the Chapultepec Accords were signed between the government and the Farabundo Martí National Liberation Front (FMLN), after a long mediation process brokered by UN envoys of the Secretary-General. The UN Observer Mission in El Salvador (ONUSAL) was established following the Accords, but the UN engagement went much wider and deeper than this. The broad and complex agreements reached in the peace settlement reflected an understanding by all parties that a sustainable peace needed to be built at a variety of different, mutually reinforcing levels: demilitarization; reintegration of a large guerrilla army and the Salvadoran Armed Forces into civilian processes; public security reform; human rights and the rule of law; electoral reform; and, of course, overall economic and social development, shared on an equitable basis.

UNDP was front and centre in this UN effort, providing support to many aspects of building democratic governance, rule of law initiatives and longer-term development programmes. When ONUSAL was wound up in 1995, UNDP continued to provide support to many of the institutional development programmes they had jointly supported, and has continued to help build the institutions of democratic governance and poverty reduction, while contributing to addressing the chronic underlying violence within society. While no one would argue that all the underlying causes of the conflict have been eliminated, it is nonetheless a major achievement that conflict resolution and policy and programme development now takes place on a peaceful basis within a formal democratic governance framework.

The context

The dramatic socio-economic and political pressures that had been building up in El Salvador for decades in a context of great inequities of wealth and power finally erupted in the late 1970s into an armed conflict that was to rage throughout the 1980s. The armed conflict cost 75,000 lives, left almost a million people displaced and provoked a mass migration out of the country of an estimated one fifth of the entire population. In infrastructure alone, war-related damages were estimated at almost US$1.5 billion. The degree of systematic brutality and devastation that characterized the conflict left behind sharply divided population whose social fabric had been violently ripped apart, and where the fundamental trust between citizens and state had been profoundly eroded.

The Chapultepec Peace Accords of 1992 represented a watershed in the history of El Salvador and ushered in a new phase of the country’s relationship
The armed conflict in El Salvador cost 75,000 lives, left almost a million people displaced and provoked a mass migration out of the country of an estimated one fifth of the entire population.

with the UN. The settlement represented the first effort in Salvadoran history to confront the key underlying causes of the conflict.

The Accords set an agenda of reforms that would seek to institutionalize new rules of the political system; they served as the framework for national programmes and for supportive international cooperation for most of the 1990s and as a broadly accepted yardstick by which to measure the advances toward democratic transition. While putting an apparently definitive end to one of the most intense armed conflicts in the hemisphere, it left much still to be done to secure a just and prosperous society.

In the early years of the Accords, ONUSAL played a crucial role in ensuring compliance, intervening at a number of critical junctures. In the framework of the UN Mission, UNDP came to play an indispensable role in this process and, in the course of doing so, began its transformation into a key international player in promoting democratic governance institutions and processes in a post-conflict environment. This is a role that the organization has played, and continues to play, in many such countries around the world.

In addition to ONUSAL and the UN System, the international community also played an important role in providing the extensive financial support required to implement the Accords, in intervening to defuse and pre-empt crises and in seeking compliance from both sides. The ‘Four Friends’ of the peace process, Mexico, Spain, Colombia and Venezuela, were strong advocates for the process and particularly supportive of the Truth Commission’s efforts, and the Nordic donors were deeply committed to supporting the process, politically and financially. Between 1992 and 1995, official external bilateral assistance to El Salvador totalled US$698 million, giving the international community significant leverage in the process.

Over the 20 years since the Peace Accords were signed, UNDP’s engagement can be divided into two distinct but closely interconnected phases:

The 1990s: rebuilding institutions step by consensual step

The 1990s peace implementation process faced innumerable highly sensitive political stumbling blocks along the way, in a challenging national atmosphere of mutual distrust and polarization. While many important results in the peace process were the result of domestic political events, UNDP contributed to shaping important outcomes in a variety of ways. Even before the peace agreement had been reached, UNDP had been involved in a range of aspects of the conflicts in Central America, most importantly, the Committee of International Conference on Central American Refugees (CIREFCA) process launched towards the end of the 1980s and PRODERE (Programme for the Development of Displaced, Repatriated and Refugee Populations), which sought to reintegrate uprooted populations. Before the Accords were signed, the Secretary-General requested that UNDP
assume what would be two of its most important tasks: the mobilization of international resources and technical assistance for the implementation of the Accords.

As part of its role in providing technical assistance within the framework of consensus-based programme and project planning, UNDP began to participate in the ‘Consensus Roundtables’ with representatives of the government, the FMLN and ONUSAL, in order to arrive at shared positions related to the process of the integration of the ex-combatants into civilian life. Indispensable to the success and consolidation of peace and reconstruction efforts was the implementation of institutionalized mechanisms to ensure participatory and consensus-based decision-making in the design of reconstruction programmes. UNDP sought to promote instruments and tools of concertacion in the development of these programmes, to ensure their greater sustainability, efficiency, responsiveness to the needs of the beneficiaries and legitimacy. These efforts faced ongoing obstacles, and UNDP was not always successful in a context of intense polarization and differing views between the parties to the conflict.

The issue of the reinsertion of ex-combatants was one of the most challenging aspects of UNDP’s early work in the implementation of the Accords. It designed, with input from the government and the FMLN, reinsertion programmes for the rural sector and the urban sector (training and technical and credit assistance for 4,213 persons) and a programme for the Economic Reinsertion of Commanders and Mid-Echelon Personnel of the FMLN (600 persons). Despite many difficulties, by 1997 a total of 36,691 beneficiaries had received land, comprising 26,739 ex-combatants and squatters and 7,592 demobilized soldiers of the Armed Forces.

Meanwhile, during the 1990s, UNDP was involved in a wide range of interdependent institution-building activities which involved complex political manoeuvring to ensure the trust of each of the parties to the conflict. A key sector in which UNDP was involved was in the creation of the new National Civilian Police (PNC), the Human Rights Ombudsman’s Office (PPDH) and the Electoral Tribunal (TSE) and in the functional redefinition of the National Council of the Judiciary (CNJ). The institutionalization of the PNC was seen as a critically important feature of strengthening human rights protections. UNDP was deeply involved in structuring and organizing the PNC as well as the Ombudsman’s Office.

Another key area in which UNDP provided support was the extremely difficult area of judicial reform, including to the CNJ and to the Attorney General of the Republic (FGR). Historically, the judicial system in El Salvador, like in much of the rest of Latin America, has been plagued by poor-quality justice, judicial corruption, lack of impartiality, extreme vulnerability to pressure from the other branches of government, congestion, understaffing, case backlogs and delays, and high transaction costs. All reforms developed in this area were blocked within
Decentralization as a key component of post-conflict governance in Mozambique began to emerge in the 1990s, after the signing of the Peace Agreement in 1992. Its trajectory from resettlement and area-based development to local governance mirrors that in Cambodia.

In the early 1990s, the country had been devastated by a nearly decade-long conflict, with over 3 million internally displaced persons and another 1.5 million living as refugees in six neighbouring countries. State institutions at provincial level were weak, while local or district institutions were non-existent in zones abandoned due to conflict. To activate a post-conflict recovery and development process, state institutions at district level were seen as critical.

In the immediate post-war period, UNDP and other development partners initiated area-based development programmes in those districts most affected by the conflict. Often part of integrated rural development programmes, the re-establishment of state institutions at local level was an important first step, followed by local consultative mechanisms to advise on priorities for rebuilding and directing project funds.

In 1998 the government launched a pilot programme in Nampula province to test decentralized and participative planning methodologies. With the support of UNCDF and UNDP a District Development Fund was introduced and participatory planning approaches were tested, including the establishment of local consultative councils, to ensure that development plans reflected local needs and priorities. In 2002 the programme was expanded to one other province, and in 2003 the government began, with World Bank support (US$50 million), to replicate the methodology in four central provinces. This was initiated by the Ministry of Planning and Finance and the Ministry of State Administration. Both had been supported by UNDP since the mid-1980s, placing UNDP in a strong position to continue to move this process forward.

In 2003 a new law for local state organs was enacted which established district government as a legal entity and a budgetary unit for the first time. It mandated the role of local consultative councils in the development planning process and recognized district development plans as a key element of the planning and development system – an important step away from centralized decision-making. The government further reinforced district government by transferring responsibility for payment of salaries and recurrent costs in 2004 and introducing a district investment budget in 2005, with consultative councils determining priorities.

In 2006, with support from several donors, the government formulated a National Decentralized Planning and Finance Programme (PNPFD). The programme would be financed through a common fund managed by the government. In 2007, the government issued instructions to key service sectors (health, education, water, roads, agriculture) to start decentralizing functions and resources. And in 2008 a budget allocation for district infrastructure was introduced. Throughout this period UNDP continued to provide technical support to the central and provincial governments to further advance and consolidate the decentralization process.

In 2010 the PNPFD was extended to all 128 districts and a draft National Decentralization Policy/Strategy (PEND) was published, which set out a strategy for the next 15 years (until 2025) to expand elected councils by expanding the number of municipalities to lower levels.
the Assembly until 1994, when selective reforms were passed and a new method of selecting the CNJ was finally approved. The new procedure for electing the members of the Supreme Court resulted in a CNJ which was more politically independent, more pluralistic in its makeup and more professional. A current crisis between the Legislative Assembly and the Constitutional Chamber of the CNJ underscores the still fragile process of institutionalizing the organs of rule of law.

The 2000s: addressing the underlying challenge of societal violence

By 1997, considerable advances had been made in most of the areas related to compliance with the Peace Accords, although most democratic institutions and reforms remained fragile. Despite the important contribution of the Peace Accords in setting in motion a democratic transition, Salvadoran society reflected a number of phenomena which continued to impede the consolidation of democratic governance. Among these were:

- a still fragile human rights protection system, which revealed its vulnerability to political manipulation;
- an electoral system whose modernization and democratization encountered numerous obstacles;
- a still highly polarized political culture that translated into legislative stalemate, with political parties that did not enjoy high levels of public confidence;
- a cumbersome, centralized state apparatus whose efficiency, transparency and accountability was questioned; and
- the absence of political and institutional instances or capacities to negotiate and resolve social conflicts, such as between labour and capital.

Moreover, it became clear that progress towards human rights and democratic governance was being undermined by the waves of violence that were increasingly engulfing the country and threatening the essence of the 1991 Peace Accords. The roots of this violence in El Salvador are deep, and have been part of the historical landscape in different forms since long before the civil war. However, the political violence that erupted into the bloody civil war was replaced by a growing social and criminal violence after the Peace Accords. This threatened to claim a higher number of victims than the war had. Not only did this violence have profound implications for democratic governance but it posed a threat to social cohesion and was an obstacle to human development. Addressing this profound challenge was to become a key focus area of UNDP’s programmatic efforts over the next 14 years.

In designing programmes to address violence, UNDP began by seeking a greater understanding of the issue. It conducted a series of conferences and workshops, drawing on the experience and insights of prominent Salvadoran professionals from all walks of life. This participatory analysis identified a wide variety of factors – weak institutions, the consequences of the civil war, the easy availability of weapons, psycho-social factors, cultural patterns, international organized crime in narcotics and arms trafficking, etc. – and it identified a number of specific programmes.

Although this diagnosis emphasized many facets of endemic violence, programmatic action was especially focused on the most visible manifestation, namely improving control of firearms, building upon the early efforts of
ONUSAL in this area. This included strengthening the legal framework for arms control, as well as the administrative mechanisms for implementing it. Some of UNDP’s projects addressed the issue at a national level, while others sought to test approaches on a plot basis at a local level. A summary of these projects is provided in the table below:

## PROJECTS ON PREVENTION AND CONTROL OF ARMED VIOLENCE IN EL SALVADOR

<table>
<thead>
<tr>
<th>Name</th>
<th>Organizations</th>
<th>Dates</th>
<th>Geographical Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arms-Free Municipalities</td>
<td>CNSP, in coordination with the City of San Salvador, of San Martin and Ilopango, PNC and MDN</td>
<td>2005–2006</td>
<td>Local</td>
</tr>
<tr>
<td>Support to the Prevention of Armed Violence in El Salvador</td>
<td>UNDP El Salvador, PAHO</td>
<td>2006</td>
<td>National</td>
</tr>
<tr>
<td>Strengthening of Institutional Capacities for Armed Violence Prevention</td>
<td>CNSP, in coordination with the City of Santa Ana, PNC and MDN</td>
<td>2007–2009</td>
<td>National/Local</td>
</tr>
<tr>
<td>Support for the Formulation of Consensus-based Public Policies</td>
<td>MJSP, CNSP, PNC, PNC inspectorship, political parties, civil society</td>
<td>2007–2011</td>
<td>National</td>
</tr>
<tr>
<td>Citizen Security for Colon and Sacacoyo</td>
<td>MJSP, municipalities</td>
<td>2008–2011</td>
<td>National/Local</td>
</tr>
<tr>
<td>Safe City</td>
<td>Municipality of Santa Tecla</td>
<td>2009–2011</td>
<td>Local</td>
</tr>
<tr>
<td>Violence in a Society in Transition (Youth Violence Prevention)</td>
<td>CNSP</td>
<td>2001–2007</td>
<td>National/Local</td>
</tr>
</tbody>
</table>
Timor-Leste is doing what few newly independent countries have had to do in recent times: rebuilding the country’s justice sector from the ground up. In the aftermath of the 1999 referendum, much of the country’s infrastructure was razed and the delivery of justice services for all citizens heavily affected. In addition to the destruction of physical infrastructure, Timor-Leste was left with an almost complete human resources vacuum.

Since then, under the determined leadership of the government and the justice institutions, UNDP has supported the re-establishment of the Timorese justice system and its capacity to uphold the rule of law and improve access to justice, both understood to be essential preconditions to sustainable peace and development. The current UNDP Justice System Programme (JSP) is a multi-donor initiative now in its third phase. As a result of this broad-based partnership, the key elements of a functioning justice system are now in place, along with a structured approach to tackling the remaining outstanding challenges.

To date, the following significant results have been achieved in the justice sector overall:

- The justice system has steadily expanded since 2001 when the first Timorese judges, prosecutors and public defenders were sworn in: a Court of Appeal in Dili, four district courts and two prisons; an independent Prosecution Service and Public Defender’s Office were created centrally and, over time, their district offices were also established; registry and notary services were established in 2001, and today there are offices for civil registration in all the 13 districts. An integrated Case Management System has been established among all the justice institutions to track the flow of cases.

- The legislative framework has been significantly strengthened through the adoption of the Criminal Procedure Code, the Civil Procedure Code, the Penal Code and the Law against Domestic Violence.

- In the early days the Timorese justice system was too small to service all of the population and to fulfil its constitutional role in applying the law and ensuring that the executive adheres to the rule of law. To tackle this challenge, the JSP has been supporting the de-concentration of justice services through the support of a ‘mobile justice’ programme and support to the establishment of new, district-based offices. Strategic interventions to harmonize where possible the formal justice system with customary laws have been initiated since 2008.

- To address the shortage of qualified human resources, international legal personnel were deployed under the JSP to perform interim line functions until a sufficient number of qualified nationals became available. With the aim of ensuring ‘localization’ of the justice system, UNDP, in 2002, supported the establishment of a Legal Training Centre (LTC). A total of 51 (13 women) Timorese judges, prosecutors and defence lawyers have so far graduated from the LTC. By the end of 2010 a total of 528 judicial actors had received training at the LTC.

Since 2009, the political will to improve the performance and effectiveness of the justice sector has been reflected in the formal inclusion of justice as one of the top national priorities. The government’s commitment to prioritize development of the justice sector and UNDP-led international assistance, with strong support from bilateral and other multilaterals, has laid the foundations for a peaceful and just society and has contributed significantly to addressing issues of instability that this new country has experienced since the restoration of independence in 2002.
Knowledge creation for public policy-making

Alongside these operational projects, one of UNDP’s greater contributions has been to promote a wider discussion of the issues relating to violence, informing the national debate with academic research, operations testing and participatory discussion. This knowledge creation has been a major contribution to public policy-making in this sphere.

A major initial contribution in this area was the pioneering research conducted in 2002 which resulted in the study ‘Firearms and Violence’, the most complete and detailed analysis ever conducted on the issue. The underlying premise of the study was that effective policy-making must be built on a solid foundation of precise quantitative and qualitative information and analysis. It was seen as critical for the formulation of proposals regarding any efforts to amend existing laws and regulations regarding firearms.

The PNC participated in the ambitious study, which was undertaken with the collaboration of 70 researchers and 35 supervisors to systematize 2000–2001 data from the PNC, exploring 80,000 crimes. The methodology for the systematization increased the number of variables registered to monitor crime from 15 to 125. The findings of the study served a variety of purposes, among them providing key information with which to identify and develop policy options in the field of prevention and control, as well as important baseline data from which to track progress in the field. It also underlined the practical difficulties involved: more than 40 percent of the population expressed a desire to own guns for their personal defence, although the study also confirmed that the utilization of firearms in defence in acts of violence sharply increased the person’s probabilities of death.

Thus, like many National Human Development Reports around the world, UNDP also demonstrated its longer-term role of raising and analysing sensitive issues which may be impeding sustainable human development and achievement of the MDGs. In doing so, it seeks to inform national political debate and policy-making over the longer term.

Assessing the transformational impact

This El Salvador case study is a proxy for many post-conflict situations. Negotiating a peace settlement is one thing; it is quite another to ensure that it sticks, that democratic institutions take root and that human rights become a guiding principle. It is inevitably a protracted process in which progress is slow, and relapses are common. The notion – at one time dominant in development circles – of a single continuum from peace to reconstruction to development, where steady progress is made on each front, has proved to be a paradigm that fails to capture the complexity of the peacebuilding process, its interdependent and overlapping facets and the potential for regression throughout. Above all, the sheer time required to rebuild or in effect to build from scratch a civilian police force in a situation in which there has been no collective experience of democracy or democratic institutions – the norms that underpin societies – needs to be recognized. In such country situations, transformational change must be set in a longer time-frame – and judged by a different yardstick.

As regards the rebuilding of democratic processes and institutions, great progress has been made over the past 20 years. If these new institutions are still buffeted by conflicting interests, this is to be expected – it applies in all democratic societies, to a greater or lesser extent. But there can be no doubt that El Salvador is more stable, more democratic and more prosperous than it was. And that progress continues to be made on all these fronts.
Addressing the underlying societal violence is a more difficult calculus. Given the catastrophic nature of violence in El Salvador, one might assume that no institution can claim any meaningful progress in combating it. Advancing a gun control and violence prevention agenda in a country with the historical tradition of bearing arms and using them, beginning a mere six years after the end of a bloody civil war, is a monumental task. Consequently, judgements on what constitutes success in advancing this agenda need to be balanced against this formidable task.

Changing cultural attitudes about firearms is a long educational process, the final results of which can take decades to be manifested. Seen in the light of a programme which began in a fraught, fragile post-conflict context, UNDP’s cluster of interventions can be said to have contributed to the reduction of armed violence and prevention at the local level through knowledge creation, awareness-raising, developing new institutional capacities, designing policy frameworks and contributing to pushing forward a key legislative agenda, and should be seen as a major achievement. Many of the features are unique in the Central American context, many of whose countries face similarly daunting security situations.

These interventions have not had a quantifiable effect in reducing violence at a national level, but they constitute indispensable steps in providing models and frameworks that have been formally adopted at the national level. In the Arms-Free Municipalities project, the data showed in the Municipality of San Martin a reduction of 49 percent in lethal violence and of 24 percent in the number of criminal acts committed with firearms. While this was a pilot programme, in 2007, the presidentially constituted National Commission on Citizen Security and Social Peace recommended that the programme be extended to the 20 most violent municipalities in the country.

In 2009, the 14 mayors who make up the Mayors’ Board of the Metropolitan Area of San Salvador (COAMSS) proposed to the Ministry of Justice and Security (MJSP) a wide ban on weapons. In February 2011, the MJSP, the PNC and the Municipal Mayor’s Office with the support of the UNDP reported a decrease of 19 percent of homicides committed in San Salvador’s centre as a result of their ban on guns. Also, according to police data, robbery diminished by 78 percent, extortion by 42 percent, and injuries by guns by 68 percent. The MJSP announced the extension of the gun bans to 27 municipalities.

In March 2011, the Minister of Justice and Public Safety presented the National Prevention Strategy in Support of the Municipalities, which reflects all of the components of the UNDP-supported Secure Cities project that sought to provide tools for local-level violence prevention management.

In the Arms-Free Municipalities project, the data showed a reduction of 49 percent in lethal violence and of 24 percent in criminal acts committed with firearms in the Municipality of San Martin.
Lessons learned

Some of the lessons learned in El Salvador echo those that appear in other projects – the value of strategic vision, the importance of partnerships, the value of flexible implementation – but the principal lesson – that transformational change takes an especially long time in post-conflict situations – is especially applicable in such contexts. The main lessons that arise from this El Salvador case study may be summarized as follows:

- **Post-conflict transformations take a long time:** Both institutional capacity-building and confidence-building measures take a long time to mature in a post-conflict context. While armed conflict may have been eliminated, the underlying social tensions need to be addressed carefully and sensitively and, in the meantime, serve to complicate normal political, judicial and administrative processes. Decades and even lifetimes would appear to be the expected time scale for sustained and sustainable transformation, rather than project cycles of three to five years.

- **National ownership:** Peacebuilding in a post-crisis situation can only be achieved by national actors. International partners can support and encourage, but only nationals can bring about sustainable change. The importance of this, and of the challenges that national ownership entails, is well illustrated by the El Salvador case study.

- **Strategic visions matters:** UNDP’s focus firstly on institutional capacity-building for democratic governance, and subsequently on the profound and multifaceted challenge posed by endemic violence, reflected a correct prioritization of development issues. The analysis of the problematic violence was based on an in-depth strategic analysis, undertaken in a highly participatory manner.

- **Flexible implementation is essential:** Within this strategic analysis, the programme itself developed across a wide variety of projects, at both national and local levels. While each was to some extent self-contained, they complemented and reinforced each other.

- **The importance of partnerships:** Although a central player in the UN System, UNDP’s resources are modest. They must, therefore, be complemented by other donors, whose support brings both different experience and political support to an always protracted and sensitive process.
THE CASE STUDIES

LOCAL GOVERNANCE IN CAMBODIA
LOCAL GOVERNANCE IN CAMBODIA

Synopsis
Following the Paris Peace Agreement of 1991, the UN played a major role in ushering Cambodia back into the international community as a democratic sovereign state and in rebuilding its national capacity. In the short term, massive humanitarian and rehabilitation assistance was needed while the government that emerged from the 1993 elections, organized by the United Nations Transitional Authority for Cambodia (UNTAC), grappled with political reconciliation, reconstructing the State apparatus and the development of longer-term strategies for rebuilding the economic and social fabric of the society. One element of this was a series of UNDP-supported development cooperation programmes which began as a resettlement programme for returning refugees and progressively evolved into a nationally owned, decentralized local governance reform programme focused on participatory local development – an initiative that became enshrined in law.

A nation in need of reconstruction
Few countries have faced such monumental challenges as Cambodia following the decimation of the population during the Khmer Rouge regime, including a high percentage of the educated class; the destruction of the social and economic infrastructure; the shredding of the social fabric; and a painstaking recovery hindered by an embargo, isolation and continued conflict with the remnants of the Khmer Rouge. While an internationally recognized government emerged from the UN-sponsored elections in 1993, the armed conflict with the Khmer Rouge continued until 1998 and contributed to political tension within the coalition government.

In the countryside, 90 percent of the population relied on subsistence agriculture amid physical, political and economic insecurity. Shattered infrastructure inhibited access to markets, land rights remained unclear and a largely non-existent private sector offered little off-farm employment. To add to these challenges there were an estimated 10 million landmines which needed to be cleared to enable full access to agricultural land.

The ending of the conflict also had significant human consequences. As peace took hold across the country, there were an estimated 150,000 ex-combatants in the process of demobilization and reintegration; 180,000 internally displaced persons needing assistance to return home; and 350,000 refugees to be repatriated from the camps along the Thai-Cambodian border.

Following the promulgation of a new constitution in 1993 and the establishment of a new national
Few countries have faced such monumental challenges as Cambodia following the decimation of the population during the Khmer Rouge regime. Government, there was a rapid centralization of the limited powers that had been previously accorded to the provinces. This served to create a vacuum in subnational governance functions, where capacity was very limited.

A flexible and progressive partnership

UNDP’s support to this process of national reconstruction at the local level spanned the period from 1992 to 2010, progressively evolving to respond to changing opportunities and challenges. It moved from direct implementation of a resettlement project; to co-management with government of a pilot project in decentralization focused on system design, institution building and local development; to the primary support project to a national programme implemented by government and financed by the national budget and a large number of development partners focused on subnational democratic development.

These phases are quite distinct and can be summarized, together with their major transformative achievements at each stage, as follows:


As one of UNTAC’s principle objectives, the 350,000 displaced persons who had been sheltered along the Thai-Cambodian border for 10 years had to be returned and resettled in Cambodia over an 18-month period before the first democratic, national elections scheduled for June 1993. In the north-west region of the country, where most of the returnees opted to settle, an additional 100,000 internally displaced persons were also returning to their villages, often in the same areas that were to receive the returnees. The potential for conflict between host communities and returnees, nominally members of opposing political factions, was of paramount concern.

In collaboration with UNHCR, the first CARERE project was designed to promote, strengthen and support the processes of peace, reconciliation and the reintegration of displaced populations into the national life of Cambodia. It was inspired by UNDP’s highly successful PRODERE, a reintegration programme for more than 2 million displaced persons in Central America during the 1980s. Adopting an area-based approach targeting the communities where displaced people were being resettled, the project focused on the rehabilitation of essential infrastructure, increased agriculture and food production output, employment and income-generation opportunities and improved quality of educational services, health care, water supply and sanitation facilities.

While this first phase developed relationships and confidence for the future (important in itself in a post-conflict situation), it was essentially a quick impact and not nationally sustainable. While this early recovery phase had naturally concentrated on basic services and infrastructure provision, it was apparent that a more comprehensive approach was needed, shifting away from donor-driven supply of relief towards sustainable long-term development driven by local democratic institutions.
In designing the next phase of intervention, UNDP took a calculated risk to directly address the longer-term dimensions of local governance, sustainability and participation at a time when conflict with the Khmer Rouge continued to destabilize large areas of the north-west; the State was recentralizing powers and resources; donors were proliferating individual aid projects; and the national government was preoccupied with its own internal conflict.

In partnership with UNCDF and UNOPS, the second UNDP CARERE project was designed as a policy experiment in decentralized, local development planning, financing and implementation.

The underlying objective was to enable subnational authorities at both province and commune levels to assume ownership of a participatory and transparent local development process that would increasingly be both recognized and financed by both the national authorities and the donor community. As ownership was critical from the start, the ‘policy experiment’ was identified as the Seila Programme (a Khmer word meaning ‘foundation stone’), clearly delineating the responsibilities to be managed by government from the support activities under the UNDP project.

Working from the bottom up, the local dimensions of the programme were designed and managed through close collaboration between provincial governors, key technical departments and UNDP advisers, while national authorities initially maintained policy oversight from a distance until results could be demonstrated.

A Local Development Fund (LDF) was established to provide block grants for financing of local priorities; locally elected committees at village and commune levels were established to work with local authorities in decision-making on the use of the funds; and a Local Planning Process (LPP) was designed to ensure participation of communities in the planning and implementation of their own development. Through five annual programme cycles of planning, budgeting and implementation, accompanied by intensive training and participatory evaluation, the systems were continuously refined, capacities strengthened and coverage expanded to an increasing number of communes and provinces.
With the programme gaining enthusiasm and scale, a national Seila Task Force was finally established in 1998, chaired by the Minister of Finance, with senior officials from seven key ministries, to review performance, debate policy and set programme direction. UNDP handed over programme management responsibilities to the provincial authorities in 1999 and to the national authorities in 2000.

2001–2006: partnership for local governance (Seila 2)

With ownership now fully established, in 2001 the Seila Task Force guided the formulation of a Seila Programme Document, 2001–2006, which was eventually approved at the highest level, the Council of Ministers. Now defined as a resource mobilization and harmonized coordination framework for support to the Royal Government’s emerging decentralization and deconcentration reforms, the government took the lead in overall policy formulation, programme management and resource mobilization.

In the first six months of the new programme, the institutional structures, systems, manuals and processes developed and tested under the pilot programme were revised and transformed into government regulations. The establishment of an inter-governmental transfer system, the Commune Fund, to finance the newly elected local governments ensured a predictable flow of resources through allocations of an increasing percentage of the national budget with supplementation by donor contributions.

In 2002, Commune Councils were elected in all 1,621 communes of the country, and within two years the government extended the structures, systems and capacity development mechanisms developed under Seila to the entire country. Teams of local UNDP national advisers working with provincial officials rapidly introduced the concepts, processes and systems through training and learning by doing, and by 2004 over 2,000 subnational officials and 12,000 commune counsellors were performing functions focused on governance, capacity development and the delivery of local infrastructure and services to the entire population.

During the first five-year mandate of the local government, over 15,000 small-scale projects valued at US$52 million were prioritized, procured through public bidding and implemented, including the rehabilitation of 32,000 km of rural roads, 1,200 km

One of the innovative features developed under Seila was the process for integrating plans and priorities at the subnational level between the demand side (the local Councils and their constituents) and the supply side (government departments, international agencies and NGOs).

On an annual basis, local priorities are formulated at village level, consolidated at commune level and aggregated into a district priority matrix which is distributed to all development actors within each province for review. A workshop is then organized in each district, focused on clarifying the local demand and enabling the supply side to announce the support they intend to provide in response. Temporary agreements are signed on the spot, results integrated into the local plans and those of the government and NGOs, and the results entered and tracked through a software program designed specifically for this purpose.

On an annual basis over the past five years, an average of 35,000 agreements have been signed across the country (20 per commune), with an implementation rate of 80 percent. The process enables local councils to leverage a wide range of assistance for their local needs; enhances downward accountability; develops more productive relationships between government and NGOs; through a common and transparent annual programming process increases efficiency and avoids overlap; and provides a wealth of data for socio-economic analysis on development trends.
of irrigation canals and 500 bridges, and hundreds of social development activities. The growing interest in the local reforms led to the negotiation of a large number of partnerships with development partners, and the annual budget increased from US$15 million from five sources in 2001 to US$50 million from 17 sources by 2006. Most importantly, the argument that local governments did not have sufficient capacity to warrant the reforms and the increased budgetary allocations was diminished.

The Seila programme was always conceived of as a temporary arrangement to mobilize resources and maintain momentum for local government reform while longer-term institutional mandates were evolving with the policy. With the adoption of the Commune Law, the government established the National Committee for Support to the Communes (NCSC) under the authority of the Minister of the Interior, which established a new Department of Local Administration to support the development of Commune Council capacity. Seila and the UNDP project immediately provided the majority of technical and financial support to enable the department to establish the capacity necessary to fulfil its new mandate. As the reforms at the commune level deepened, the demand for reform at district and provincial levels increased.

In 2005, with support from Seila and UNDP, a Strategic Framework for Decentralization and Deconcentration Reforms was drafted and adopted by the government, laying out the vision of comprehensive subnational reforms upon which the drafting of a new Organic Law commenced. By 2006, with a new Organic Law under design, focused on the next tiers of local administration reform, the National Committee on Decentralization and Deconcentration (NCDD) was established as an interministerial body under the chairmanship of the Deputy Prime Minister/Minister of the Interior and mandated to assume full responsibility from the Seila Task Force. As such, the stage was set for the final transition of UNDP support.

2007–2010: support for democratic development

With longer-term, national institutional arrangements becoming clarified, Seila was phased out at the end of 2006, and at the government’s request the new UNDP/PSDD project was designed to support the NCDD and its newly established secretariat to both maintain momentum and deepen the existing reforms at local level as well as preparing the ground for the next phase of reform to be ushered in by the Organic Law. The political and administrative dimensions of reforming the provincial and district levels are significantly more complex than at commune level and required time for full consensus to be reached. In keeping with practice, the UNDP project anticipated some of the strategic issues at hand and developed various initiatives that would both inform policy and develop experience for the future. A District Initiative was designed in 2006 to test mechanisms and procedures for potential adoption, including the operation of a District Fund. By the time the Organic Law was adopted in May 2008, 106 of the 193 districts were receiving block grant allocations, setting priorities together with the Commune Councils in their jurisdiction and overseeing implementation of both infrastructure and service delivery projects.

At commune level, the CS Fund steadily increased (from US$18 million in 2006 to US$35 million in 2010), and in partnership with the World Bank the UNDP project introduced safeguard procedures for land acquisition, environment and highland peoples;
Ukraine: From Conflict Prevention to Decentralized Governance

During the final years of the former Soviet Union several hundred thousand Crimean Tartars returned to the Crimean peninsula of Ukraine from which they had been forcibly deported in 1944 on Stalin’s instructions. Upon their return, they found their former homes and land occupied by ethnic Russians and others who had settled in the peninsula after the war. Tensions quickly rose, as Crimean Tatars, being denied legal access to land, settled spontaneously around existing towns and villages, constructing houses and putting pressure on already inadequate public services.

In 1995, the Government of Ukraine and UNDP launched an integrated development programme in Crimea to improve living conditions and provide livelihood opportunities in areas where Crimean Tatars had settled, with a focus on providing access to drinking water, basic health services and microcredit, and organizing tolerance-promotion initiatives among youth. From 2002 onwards, the programme rapidly expanded its activities across the peninsula, focusing on mobilizing ethnically diverse communities to plan and undertake jointly identified priority initiatives to improve basic community services, enhance income and employment generation and promote tolerance education in schools. Interaction between community organizations and local authorities helped to integrate community initiatives into district development plans and enabled local authorities to support such initiatives despite limited resources.

This resulted not only in tangible improvements in living conditions in hundreds of settlements, but the true transformation resulted from increasing communication and collaboration between citizens of different ethnic background on issues of common concern to them, thereby decreasing negative perceptions of each other and increasing tolerance. Secondly, confidence and trust between communities and local authorities were restored through the establishment of practical working relations and dialogue. This set the stage for many community leaders, including Crimean Tatars, being voted into local councils during local elections following the Orange Revolution of 2004, which increased their political representation.

Following the successful replication of this area-based community empowerment approach to the areas affected by the Chernobyl nuclear disaster, as well as in selected urban municipalities across the country, from 2007 onwards UNDP has helped the Government of Ukraine, with support from the European Commission, to scale up the approach to the national level and to all regions of Ukraine. Thus, what started as part of a humble conflict prevention programme in Crimea has led to nationwide transformation of local development policy and practice.

established Accountability Working Groups in each province as a complaint mechanism; improved budget execution procedures; and enhanced the quality of public procurement and infrastructure design. Independent citizen surveys carried out annually confirmed the popularity of the Commune Councils in their responsiveness to local demands.

Subnational Councils were elected in May 2009 in all provinces and districts of the country, and in the last phase of the UNDP project, support was provided to the design of a 10-year National Programme on Subnational Democratic Development (NP-SNDD) and its first Three-Year
The underlying objective was building the national capacity of the Cambodian people and of the country’s institutions – virtually destroyed in the 1970s and 1980s – to enable full national management.

Implementation Plan (2011–2013), which has placed a strategic focus on the district level.

The underlying objective at each stage was building the national capacity of the Cambodian people and of the country’s institutions – virtually destroyed in the 1970s and 1980s – to enable full national management. However, it was more than this, since its premise was that of decentralized and participatory processes, both as an end in themselves but also as a means to national reconciliation.

Throughout this process UNDP played an instrumental role in support to government for building an impressive international partnership for local governance reform in Cambodia. While the scale of the annual programme grew from US$15 million in 2001 to US$90 million in 2010, UNDP’s own financial contribution averaged 3 percent throughout, while continuously providing the bulk of technical assistance for the entire programme.

Making a difference: the transformational impact

The transformational impact of the UNDP-supported CARERE/Seila programme has been evolutionary in nature, with each phase building on its predecessors. It began as a pilot programme in decentralization, covering just two provinces and four communes in 1995; expanded to cover 12 provinces and 500 communes by 2001, just prior to the enactment of the Commune Law; and scaled up to full coverage of 24 provinces and 1,621 communes by 2003.

It has also delivered real improvement to people’s lives. Working on both the demand side, through participatory prioritization of local needs and enhancement of local voice, and the supply side, to ensure that discretionary budgets and decentralized sector programmes enabled local priorities to be addressed, the programme’s success was grounded in the tangible impact it had on both communities and people’s livelihoods. With a high demand for local infrastructure improvement after decades of conflict and neglect, the enormously improved access to markets and services resulting from thousands of small-scale commune projects each year has been documented by the government as having made a major contribution to the decrease in poverty from 35 percent in 2002 to 25.8 percent in 2010 of the population.

With a long-term vision focused on subnational reform, the programme designed and piloted a wide range of governance systems and procedures accompanied by annual capacity development plans; prepared revisions based on continuous performance evaluations and training needs assessments; and eventually transformed pilot experience into government regulations following the adoption of a legal and institutional framework. While much more time and effort will be required to fulfil the longer-term objectives of the reforms, a high level of political commitment and national ownership has been established.

This institutionalization process is summarized in the following table.
While a high level of harmonization in donor support was developed over the past 10 years, with the approval of the new NP-SNDD, a programme-based approach has been adopted to reduce transaction costs of aid management, incorporating many of the systems and procedures developed by UNDP. As large-scale donor financing has been secured for the first phase of the programme, UNDP’s own support is phasing out, and experienced UNDP national advisers have been absorbed into the new programme, directly contracted by government. As such, the UNDP legacy will accompany the next phase of change management.

The ambition and complexity of the democratic development reforms, involving both political and administrative dimensions, require a transformation in attitudes and practices at higher levels of government and well-designed capacity development strategies to support the gradual transfer of functions to subnational administrations. While the government’s own financial contribution to the new programme has increased to 70 percent,

### TIMELINE OF INSTITUTIONALIZATION PROCESS

<table>
<thead>
<tr>
<th>Year</th>
<th>Legislature</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Law on Election of Commune/Sangkat</td>
<td>First direct elections of commune councillors in 2002</td>
</tr>
<tr>
<td>2001</td>
<td>Law on Administrative Management of Communes/Sangkats</td>
<td>Communes provided with a political, administrative and fiscal framework for operation</td>
</tr>
<tr>
<td>2005</td>
<td>Strategic Framework on Decentralization and Deconcentration</td>
<td>Clear path for development of policy and legislature related to decentralization and deconcentration</td>
</tr>
<tr>
<td>2006</td>
<td>Royal Decree on Establishment of National Committee for the Management of Decentralization and Deconcentration Reform</td>
<td>Interministerial committee governing all initiatives in decentralization and deconcentration</td>
</tr>
<tr>
<td>2008</td>
<td>Law on Subnational Council Elections</td>
<td>First indirect elections of capital, provincial and district councillors</td>
</tr>
<tr>
<td>2008</td>
<td>Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans</td>
<td>Capital, provinces and districts provided with a political, administrative and fiscal framework for operation</td>
</tr>
<tr>
<td>2010</td>
<td>10-Year Programme on Subnational Democratic Development</td>
<td>Long-term plan aligning all stakeholders involved in decentralization and deconcentration</td>
</tr>
</tbody>
</table>

Source: NCDD, 2011
substantial international funding is still required for the early phase of the programme to ‘prime the pump’ until domestic resources can adequately cover the needs.

**Lessons learned**

A number of useful development lessons can be drawn from Cambodia’s example:

- **A strategic analysis and vision that carried the programme:** From the outset, there was a consistent two-pronged vision: on the one hand, an understanding of the importance of mending/improving the relationship between civil society and the local state, and, on the other hand, a clear commitment to local-level poverty alleviation. This vision was articulated at the community level, in national policy circles, in the international community and with international and Cambodian staff. This vision was underpinned by the steady building of trust and an environment of predictability for local-level participants.

- **A chain is as strong as its weakest link:** The programme continuously worked at all levels of administration to ensure that roles and functions were appropriately assigned and to engage the entire government in the reform process. It was understood that local-level processes could not be divorced from the larger national political process but could rather enrich and inform it.

- **Holistic programmatic thinking:** The programme worked simultaneously on three main interrelated dimensions: concepts, systems and structures, and delivery of investment and services.

- **Flexible implementation within a strategic focus:** While starting small and with no guarantee of success, the programme consistently aimed at subnational governance reform, while continuously experimenting, piloting mechanisms and approaches that moved the agenda forward and upwards. The programme did not come with ready-made models; these were developed in cooperation with the major stakeholder – the provincial administration initially, and later the national government. International experience was modified to fit the local circumstances, and the systems and structures were modified all through the programme, resulting in a high degree of national ownership.

- **A flexible and learning-oriented management style:** ‘Learning by doing’ was practised in virtually all areas and phases of the project. Given the unstable context, and the original low knowledge base, this approach was an absolute necessity.

- **Donors willing to take risks:** Beginning with UNDP, and later with the Swedish Sida and the UK DfID, flexibility and responsiveness to evolving opportunities and challenges were given space without the restrictions often imposed by design and logical frameworks.

- **The value of decentralization in post-conflict countries:** Both in Cambodia as a whole and particularly in the former Khmer Rouge-held territories, decentralized and participatory planning, decision-making and implementation contributed to peace and reconciliation at the local level.
Human Development Reports

Human Development is a development paradigm that is about much more than the rise or fall of national incomes. It is about creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests. People are the real wealth of nations. Development is thus about expanding the choices people have to lead lives that they value. And it is thus about much more than economic growth, which is only a means – if a very important one – of enlarging people’s choices.

Fundamental to enlarging these choices is building human capabilities — the range of things that people can do or be in life. The most basic capabilities for human development are to lead long and healthy lives, to be knowledgeable, to have access to the resources needed for a decent standard of living and to be able to participate in the life of the community. Without these, many choices are simply not available, and many opportunities in life remain inaccessible.

The first global Human Development Report was published in 1990. It has been published annually since then, exploring different themes in depth each year.

At its heart is the Human Development Index (HDI) which seeks to measure human development not merely in terms of per capita GDP but in terms of its impact on people’s life possibilities, as measured in purchasing power, life expectancy and educational attainment. Beginning in 1992, the global HDR gave birth to a large number of regional, national and even sub-national HDRs. These have proved to be a powerful tool for raising development policy issues. Stories of their individual impact abound, of the many, three are featured here as being especially transformational in its impact.

Sub-National HDRs in India

India has exemplified the practice of preparing independent sub-national HDRs to operationalise the human development approach in planning processes. Its output to date make it the most prolific country for HDRs: 1 National, 26 State, 19 District and 1 City HDRs. Led by federal, state and local authorities, such HDRs are utilised to collect socio-economic indicators mandated at provincial level by the tenth (2004-07) and eleventh (2008-2012) national development plans.

Beyond providing an analytical instrument to inform local policies, the preparation of HDRs in India often involve multiple layers of capacity development to allow the meaningful participation of different strata in society. For example, a Human Development Research and Coordination Cell (HDRCC) has been established in the Planning Department of the Government of West Bengal to mainstream human development in the State, undertake sensitization and capacity development on human development and to guide districts in preparing District HDRs.

NHDR in Botswana

Botswana provides another example of the NHDR acting as midwife to new policy approaches at the country level, sometimes with truly transformational impact, this time in respect of the country’s policy towards HIV/AIDS. Published in 2000 the NHDR focussed on the challenge of HIV/AIDS. Its publication stimulated extensive national debate on the issue and contributed greatly to national appreciation of the need to view it as a challenge to governance, not just public health. It led to a redefinition of the Ministry of Health’s STD unit and contributed to a more participatory, decentralized approach to manage the national response to sexually transmitted diseases, which include HIV/AIDS. It even contributed to the
President’s decision to chair and provide leadership to the National AIDS Council, which was therefore within the Office of the President. This served to elevate and strengthen the Council’s coordinating role and to ensure a genuinely multi-disciplinary approach to the issue. This was effectively translated to the local level, with programmatic support from UNDP, UNV and others.

The Arab Human Development Reports

Another example of the HDR’s ability to contribute towards transformational change was in the Arab Region. The first Arab Regional HDR was published in 2002 and provided a full spectrum diagnostic of factors accounting for development shortfalls in the region. It framed its findings in the form of three cardinal deficits: in freedom; in women’s empowerment; and in knowledge. This diagnosis faced intense criticisms and debate within the region but it succeeded in triggering a vigorous public debate about the meaning and dimensions of human development, particularly the relationship between democracy and development.

The report created a platform for the subsequent reports, on knowledge, freedom and good governance, women, and which explored those gaps in greater depth and traced their origins to domestic policy failures, the challenged architecture of Arab states and recurring patterns of external intervention in the region. These findings gained authority from the report having been prepared by regional institutions and scholars, not by external actors. In effect UNDP provided a vehicle for the analysis as well as a globally accepted methodology in the form of the human development paradigm.

The report also created the opportunity for programmatic initiatives. For example, the Centre for Arab Women Training and Research (CAWTAR), which became an independent institution in 2006, gained impetus from the Arab Regional HDR 2005, which discussed gender issues and women’s rights. CAWTAR strives to enhance the capacity of Arab institutions to empower women to exercise their rights and achieve equality.

In the most recent Arab HDR, published in 2009 – Challenges to Human Security in the Arab Countries – the report underscored one of the major problem of the Arab society, that about 30 percent of the youth in the Arab States region as unemployed. Considering that more than 50 percent of the population in Arab countries is under the age of 24, indicates a boiling pot of youthful energy. The report indicated that 51 million new jobs are needed by 2020 in order to avoid an increase in the unemployment rate, but because of resource constraint, weak institutional apparatus and flawed governance system, it will be a real challenge to fulfill that target. It is widely underscored both by media, political leaders and scholars that the Arab HDR has been at the forefront of advocacy and debate on sensitive topics like democratic governance, transparency, accountability, gender equality and HIV/AIDS.
TEN COMMON THEMES AND FINDINGS

The opening part of this publication sought to define transformational change and described the methodology adopted for preparation of the case studies. The second section offered a few reflections on the complexity and uncertainty of the development process, while the heart of the report described the case studies of successful long-term development cooperation, each accompanied by several shorter stories from other countries. This final section tries to draw out the most important general lessons that can be drawn from the case studies, as well as UNDP’s accumulated experience.

Transformational change was defined at the outset as being a process whereby positive development results were achieved and sustained by institutionalizing policies, programmes and projects within national strategies. It went on to define such positive development results in terms of sustainable human development, the Millennium Declaration and the MDGs, which can be encapsulated as ‘Empowered Lives and Resilient Nations’. As indicated in the definition, many of the implications of this definition fall principally upon national actors. However, the case studies demonstrate that development cooperation – and international partnerships more generally – can play a crucial and positive role in supporting national leadership and capacity development, and thus promoting such transformational change.

The 10 themes are grouped into three general headings:

- **Back to basics**: These are essentially restatements of the most fundamental principles that underpin successful development cooperation: national ownership, capacity development, leadership and partnerships.

- **Principled opportunism**: These highlight a prevailing characteristic of UNDP’s work, in which it seeks opportunities to support transformational change within a value-driven normative framework defined by the UN’s member states.

- **The larger context**: The final three themes reflect on the fact that, to be successful and transformative, development cooperation depends in no small part on the larger context. This is especially true of post-conflict situations, where even 20 years is a short time.

None of the themes and findings which follow are very original or controversial, but they are often overlooked in the wish to achieve short-term results. UNDP will certainly seek to translate these back into its day-to-day work with a view to increasing its contribution to transformational change.

To be successful and transformative, development cooperation depends in no small part on the larger context.
Back to basics

The centrality of national ownership

As was stated categorically from the outset, transformational change and impact cannot be achieved without a high level of national engagement and commitment. This will normally include government ownership, since only governments have the capacity to legislate, implement policy and finance national programmes. However, local government, civil society and the private commercial sector must frequently be co-opted if a programme is to be sustainable and sustained. *Inter alia* sustainable national funding will depend in no small measure on domestic resource mobilization including taxation, which in turn depends on a national consensus on such matters. The term national ownership is, therefore, used advisedly.

In Mongolia, apart from a clear government commitment, the engagement of the private sector was crucial. ‘Beautiful Bulgaria’ relied on the drive of municipal authorities and the collaboration of the construction industry to transform national perceptions of what was possible. In Bangladesh only the government could have taken the lead in implementing such an integrated approach to disaster risk reduction, across multiple sectors, but it has also drawn in a wide array of civil society organizations. The same could be said of local governance reforms in Mozambique and Cambodia.

All of the case studies enjoyed significant national leadership; otherwise, they would not have been transformational in their impact. Yet this broader ownership frequently took time to achieve, beginning with a small group of committed individuals who gained allies and national support on the basis of proven performance. A seat at the national policy-making table was earned by virtue of operational experience. Such was the case with microfinance in Mongolia, where a successful pilot project grew to influence national legislation and regulation of the banking sector.

Developing national capacity

Throughout the case studies described, UNDP’s role continued to be its traditional one of supporting national capacity development for managing development programmes. A core function of UNDP since the days of the UN Technical Assistance Board (UNTAB), capacity development has long been recognized as a *sine qua non* of successful development cooperation. Easier to prescribe than to achieve, it is also indispensable for a country’s capacity to effectively use large-scale development funds, sometimes termed ‘absorptive capacity’.

Such up-front support was characteristically followed by a much larger inflow of resources than could ever have been available from UNDP – for example, from the World Bank, the regional development banks, the Global Environmental Facility (GEF), the Global Fund for AIDS, Tuberculosis and Malaria or even from the private commercial sector in the case of Mongolian microfinance and in the Danube and Black Sea basin.
The success of these programmes – a country's ability to use the funding effectively and to bring about true transformational change – hinged significantly on the effectiveness of capacity development programmes supported by UNDP and others. Design of development cooperation programmes will, therefore, benefit from maintaining a close partnership with such prospective funding sources, from the outset. There is a mutuality of interest here, a finding which is as applicable to those funding sources as for the providers of technical cooperation.

Development cooperation, however, also has an Achilles heel. It is all too easy for it to take the form of ‘capacity replacement’. This is especially true in post-crisis situations in which humanitarian programmes suffer from this potential downside, in an understandable drive to ensure short-term results. However, even in more conventional development situations, the provider of development cooperation can find itself in a competition for ownership and/or control of national policy-making and implementation.

Individually and leadership matter

In each of the successful case studies described above, the institutional context was conducive to a successful outcome, but it still required individuals with vision, determination and initiative to make it happen. The quality of leadership can make a real difference, which is why UNDP and others often focus on leadership development as an integral part of development cooperation. The HIV/AIDS Leadership Programme which underpinned the Ethiopia case study is an example of this.

Actually, truly transformational change depends upon a succession of such individuals (akin to a relay race), and institutional capacity is sometimes best reflected in the ability to deploy such resources on a consistent basis over time. Development programmes cannot be designed around specific individuals, but there is no doubt they can make the difference between success and failure. A venture capitalist assesses projects at least as much on the basis of the entrepreneurs as on the underlying idea. This is also an important consideration for development cooperation.

Indeed, an anecdotal review of UNDP programmes across the world suggests that this is one of the most important roles of its development cooperation: to develop individuals who will play strategic roles in their country’s development. Sometimes, of course, this simply develops single individuals who then migrate to better themselves and are lost to the country’s development process. However, often such individuals coalesce into networks of capable and committed professionals who, working together in a critical mass, achieve transformational change for their own country.

The partnership principle

It is not only national ownership that makes the difference, but also the range of national and international actors involved in successful transformational change. This breadth of engagement ensures that a range of ideas, experience and expertise will be brought to bear – from inside as well as beyond the country concerned – and that reservoirs of finance can be
UNDP has sometimes been described as being an ‘opportunist with principles’, identifying opportunities for successful development cooperation within a principled framework.

Tapped, an issue of particular importance for UNDP, which has relatively shallow pockets. It also ensures a broad base of consensus and support for the programme being implemented, another facet of national ownership mentioned immediately above.

Broad-based partnerships were a common feature of all of the case studies. Indeed, apart from strong national leadership and commitment, this is probably the most obvious common feature of successful transformational change. With civil society in Bangladesh; with the private sector in Mongolia, Bulgaria and the Black Sea; with local communities in Ethiopia, Cambodia and El Salvador; and with other multilateral and bilateral donors everywhere.

For UNDP its principal partnership is naturally with the host government, which is not only the core expression of national ownership but is also a UN member state. UNDP’s intergovernmental character enables a special relationship with host governments which makes it different from bilateral donors. At the same time, the latter are themselves member states of the UN, which often enables UNDP to perform an effective brokerage role in development cooperation. This can be seen in, for example, the Danube/Black Sea, Bangladesh and Cambodia.

UNDP’s other indissoluble partnership is with the other agencies of the UN System. This starts with the UN country team but includes all the non-resident agencies also. In principle the UN Development Assistance Framework (UNDAF) provides a collaborative framework and a division of labour between agencies. In all of the case studies, UNDP’s work was taking place in this larger context, often in close collaboration with other elements of the System – and in furtherance of a UN normative agenda, including the Millennium Declaration but also, for example, in the case of the Hyogo Framework for Action.

Several case studies demonstrate the robust nature of such collaboration: UNDP’s work in Ethiopia was implemented within the UNAIDS partnerships structure. UNDP’s contribution to peacebuilding in El Salvador, Cambodia and Mozambique was framed within the larger framework of integrated UN Missions, with peacekeepers, etc. And the integrated approach to environmental issues in the Danube/Black Sea and in Bangladesh hinge on close collaboration between UNDP, the UN Environment Programme (UNEP), and many other national and international agencies, including the GEF.

Of course, partnerships have consequences. They are labour-intensive to nurture and sometimes take time to gestate fully. And they require each partner to control institutional egos.
and share responsibility and credit. When in pursuit of short-term results, partnerships can, therefore, seem onerous. However, the evidence demonstrates that they are indispensable to achieving transformational change.

**An opportunist with principles**

*The importance of strategic analysis*

The starting point for successful development cooperation is a sound and realistic understanding of the politico-economic context, with its constraints and opportunities. Although aid resources are characteristically allocated according to need rather than opportunity, successful programme design needs to align this need with genuine opportunity for beneficial change, championed by national actors. The case studies described above all benefited from good strategic positioning in this respect, whether by luck or by good judgement.

Such analysis also benefits from accessing comparative experience from elsewhere in the world, so that a given programme country can benefit from lessons learned elsewhere – and avoid some of the potential pitfalls. Sometimes this falls under the rubric of south–south or trilateral cooperation, which is a common strand in everything UNDP does. Internally UNDP also terms this ‘knowledge management’ (KM), a process of ensuring that UNDP programme staff can access experience gained throughout the organization. In practice this is also one of the characteristics of the multiple partnerships which make for successful transformational change processes: each partner brings its own expertise and experience to the collaboration.

This combination of strategic analysis and comparative experience was certainly the case in Mongolia, where microfinance was recognized as offering an important means of addressing unemployment and poverty resulting *inter alia* from the market reforms – and UNDP’s MicroStart programme offered a proven mechanism on which to draw. In Bangladesh the deteriorating environment as a result of economic growth and population pressure, combined with the self-evident vulnerability to natural disasters, provided the impetus for an integrated approach to disaster risk reduction, which itself drew on comparable experiences around the world. The potentially catastrophic deterioration in water quality in the Danube and Black Sea similarly precipitated a strategic approach to this challenge, utilizing the GEF’s proven tools and UNDP’s global experience of intergovernmental institutional capacity development.

Such case studies illustrate the value of careful forethought in programme design and flexibility in implementation. They also demonstrate the importance of drawing upon accumulated experience and expertise, wherever they may be found.

*The value of tactical responses*

Paradoxically, despite the above-stated need for strategic analysis, many of UNDP’s most successful programmes have actually grown out of apparently low-level practical responses to real world problems – which subsequently grew in importance and achieved transformational impact, despite beginning life as downstream operational programmes. These might be termed tactical responses, as opposed to strategic positioning. They began by ‘being useful’ and became transformational.
UNDP has sometimes been described as being an ‘opportunist with principles’, identifying opportunities for successful development cooperation within a principled framework. These principles are drawn from the UN Charter, various UN declarations and conventions and, most recently, the Millennium Declaration and the MDGs. Such principled opportunism embodies a degree of risk and uncertainty. Not every project will be successful; not every programme will achieve transformational change.

The local governance programme in Cambodia began with resettlement of returning refugees and evolved into a local governance programme. Beautiful Bulgaria started as a short-term response to urban unemployment and grew into a countrywide programme of national regeneration.

Such programmes start without grand designs but can greatly exceed initial expectations – if the soil is fertile and there is dynamic and flexible leadership during implementation. In this sense, development cooperation could be likened to venture capital, in the limited sense that it entails a calculated risk and may not yield success in all cases. While having its head in the clouds, UNDP must also have its feet on the ground, identifying the best prospects for supporting transformational change. This paves the way for the next lesson.

**Consistent, sustained and flexible support**

In none of the cases studied was the end result entirely as predicted when the first development cooperation was designed. While in each case the general direction set at the outset proved to be correct, the precise details evolved over time and the outcomes took a lot longer to achieve than could ever have been envisaged at the outset. A development programme designed like this from the outset would almost certainly have been rejected – especially if it anticipated 10–20 years of engagement, as has characterized many of the case studies in this report.

Implementation is, therefore, as important as initial design. It must be a balance between sustained support on the one hand and flexibility on the other. Even a badly designed project can achieve success if managed well, and re-framed and revised as it moves forward. By the same token, the best designed development cooperation will founder on poor staffing and rigid implementation. Development cooperation has a tendency to demand high standards at the design stage but to neglect the practicalities of management and implementation.

In each case study described in this report, UNDP and other international partnerships spanned a prolonged period, changed their nature over time as needs evolved, and adjusted to the level of national capacity – ultimately to the point of eclipse when no longer needed. In this respect, experience further suggests that an exit strategy for UNDP and other international partners is extremely important. Development cooperation which outstays its welcome can undermine the very national capacity it is intended to develop.
The larger context matters

*Success breeds success*

Programmes are seldom if ever transformational in isolation. Their success depends on other, parallel programmes and processes with which there is a synergistic relationship. All of the case studies described above benefited from an overall supportive context, despite the occasional setback.

Three of the case studies benefited from the drive and creativity that was unleashed in the aftermath of the dissolution of the Soviet Union: Mongolia, Bulgaria and Danube/Black Sea. Two of them accompanied a major UN peacebuilding engagement: Cambodia and El Salvador. Country-specific circumstances in Ethiopia and Bangladesh ensured that there was a particular openness to the project initiatives described.

To achieve such a virtuous cycle which reinforces progressive change requires an element of coincidence and luck. Moreover, the converse is often equally true: a well-conceived and -implemented programme can fail to achieve transformational impact, for reasons beyond its control.

*External force majeure*

External factors which are beyond the control of a government are sometimes a major ingredient in a programme’s success or an impediment to its realizing its intended potential. Such factors may be economic or political in nature, and be national, regional or global in scope. Domestic political earthquakes, national calamities, regional conflicts, global economic crises, etc. can all disrupt the best-designed development programmes. They are normally difficult to predict. Achievement of sustained transformational change depends at least in part on the absence of such negative ‘externalities’.

On the other hand, some external factors can provide the opportunity for, or a spur to, innovative policy reform. For example, the period following the dissolution of the Soviet Union was one of particular opportunity and openness to change in Eastern Europe and Central Asia. Similarly, the collapse of the Suharto government in Indonesia as a direct result of the 1997 East Asian Financial Crisis opened a new range of possibilities for democratic reform in that country. The Asian tsunami created the impetus for reassessing disaster preparedness and risk reduction in several countries.

Under such circumstances, well-positioned development cooperation can receive a turbo-charge to its effectiveness. It requires just the kind of responsive and flexible management – principled opportunism – that is a common feature of many of the successful case studies.

*Post-conflict time-frame*

All of the above lessons apply in equal measure to development cooperation which addresses peacebuilding and institutional development in a post-crisis setting. However, the time-frame for achieving transformational change is characteristically longer than for more conventional
development situations. The reasons for this are not difficult to discern and will not be discussed in detail here. However, the political convulsions and inter-group violence that characterize most such crises take time to dissipate. Addressing the underlying causes as well as building trust and confidence takes time and can experience relapses and setbacks.

The El Salvador case study is a demonstration of how long-term thinking – and practical, iterative implementation – is needed to address the underlying causes of conflict. Cambodia is an example of progressive capacity-building in a post-conflict context – over 20 years. Mozambique illustrates the same time-frame. Other examples could have been cited, but the consensus was that ‘it is too early to tell’ in terms of truly transformational change.

Thus, even the time-frame of 10–20 years selected for this report appears short-term in such situations. Building peace and resuming sustainable human development requires great patience, and long-term commitment on the part of international partners.

In an ideal world, all these factors would be designed into development programmes at the outset. In reality, most are difficult to anticipate, and their influence is often only apparent in retrospect. As any venture capitalist would concede, there are failures and there are successes in development. UNDP has documented seven cases of successful development cooperation which contributed to transformational results, but it could equally well have documented another seven initiatives which foundered for various reasons.

It is in the DNA of UNDP – indeed of the UN more generally – to energetically seek ways in which to advance human development and the Global Agenda set out in the Millennium Declaration, the MDGs and the many other international treaties and declarations. Indeed, it is its raison d’être.
### ANNEX 1. ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AHDR</td>
<td>Arab Human Development Report</td>
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<tr>
<td>BCC</td>
<td>Benguela Current Commission</td>
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<td>BCCSAP</td>
<td>Bangladesh Climate Change Strategy and Action Plan</td>
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<td>BCLME</td>
<td>Benguela Current Large Marine Ecosystem</td>
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<td>BSERP</td>
<td>Black Sea Ecosystem Recovery Project</td>
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<td>BSI MAP</td>
<td>Black Sea Monitoring and Assessment Programme</td>
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<tr>
<td>BSSAP</td>
<td>Strategic Action Programme for the Rehabilitation and Protection of the Black Sea</td>
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<tr>
<td>CCC</td>
<td>Climate Change Cell</td>
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<td>CCE</td>
<td>Community Capacity Enhancement</td>
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<td>CCTF</td>
<td>Climate Change Trust Fund</td>
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<td>CDMP</td>
<td>Comprehensive Disaster Management Programme</td>
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<tr>
<td>CNJ</td>
<td>National Council of the Judiciary</td>
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<tr>
<td>COAMSS</td>
<td>Mayors’ Board of the Metropolitan Area of San Salvador</td>
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<tr>
<td>CRAS</td>
<td>Social Assistance Reference Centre</td>
</tr>
<tr>
<td>DMB</td>
<td>Disaster Management Bureau</td>
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<tr>
<td>DMC</td>
<td>Disaster Management Committee</td>
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<tr>
<td>DRP</td>
<td>Danube Regional Project</td>
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<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
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<td>EGP</td>
<td>Employment Generation Project</td>
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<td>EO</td>
<td>Evaluation Office</td>
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<tr>
<td>ESCAP</td>
<td>Economic and Social Commission for Asia and the Pacific</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<tr>
<td>FGR</td>
<td>Attorney General of the Republic</td>
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<tr>
<td>FJP</td>
<td>Fundacao Joao Pinheiro</td>
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<tr>
<td>FMLN</td>
<td>Farabundo Marti National Liberation Front</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GEF</td>
<td>Global Environmental Facility</td>
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<tr>
<td>HAPCO</td>
<td>HIV Prevention and Control Office</td>
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<tr>
<td>HDI</td>
<td>Human Development Index</td>
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<td>HDR</td>
<td>Human Development Report</td>
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### ANNEX 1. ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>HFA</td>
<td>Hyogo Framework for Action</td>
</tr>
<tr>
<td>ICPDR</td>
<td>International Commission for the Protection of the Danube River</td>
</tr>
<tr>
<td>IFNR</td>
<td>Investment Fund for Nutrient Reduction</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>IPEA</td>
<td>Institute of Applied Economic Research</td>
</tr>
<tr>
<td>IRBM</td>
<td>Integrated River Basin Management</td>
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<td>ISR</td>
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<td>KM</td>
<td>Knowledge management</td>
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<td>LDF</td>
<td>Local Development Fund</td>
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<tr>
<td>LDRRF</td>
<td>Local Disaster Risk Reduction Fund</td>
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<td>LPP</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>MFI</td>
<td>Microfinance institution</td>
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<td>Micro Loan Foundations</td>
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<td>MRC</td>
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<tr>
<td>NBFI</td>
<td>Non-bank financial institution</td>
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<td>NCDD</td>
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<td>NDMC</td>
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<td>NGO</td>
<td>Non-governmental organization</td>
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<td>National Programme on Subnational Democratic Development</td>
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<td>PEND</td>
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<td>Small and medium enterprises</td>
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<td>Special Unit for Microfinance</td>
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<td>Electoral Tribunal</td>
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<td>United Nations Transitional Authority for Cambodia</td>
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<td>United Nations Volunteers</td>
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<td>WWB</td>
<td>Women's World Bank</td>
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ANNEX 2. SELECTED BIBLIOGRAPHY


Thomsen, T and A Saide, ‘How to Improve Aid Effectiveness in the Field of Decentralization and Local Governance’, EC and IBF, 2011.


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