



Lebanon

Local Governance in Complex Environments Project Assessment

The DGTTF Lessons Learned Series

United Nations Development Programme

Lebanon

Local Governance in Complex Environments
Project Assessment

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Abbreviations¹

CCA	Common Country Assessment
CO	Country Office
DGTTF	Democratic Governance Thematic Trust Fund
MDG	Millennium Development Goal
NGO	Non-governmental organization
OGC	Oslo Governance Centre
RCC	Regional Centre in Cairo
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFIL	United Nations Interim Force in Lebanon
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East

¹The abbreviations and acronyms relate to those used in the main text, not those that are found only in the Annexes.

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Preface

The Millennium Declaration from the Millennium Summit in 2000 emphasizes the centrality of democratic governance for the achievement of the Millennium Development Goals (MDGs). World leaders agreed that improving the quality of democratic institutions and processes, and managing the changing roles of the state and civil society in an increasingly globalized world, should underpin national efforts to reduce poverty, sustain the environment, and promote human development.

The Democratic Governance Thematic Trust Fund (DGTTF) was created in 2001 to enable UNDP Country Offices to explore innovative and catalytic approaches to supporting democratic governance on the ground. The DGTTF Lessons Learned Series represents a collective effort to capture lessons learned and best practices in a systematic manner, to be shared with all stakeholders, to serve as an input to organizational learning, and to inform future UNDP policy and programming processes.

Executive summary

This report presents the findings of an assessment of the project *Promotion of Decentralization and Local Governance*, implemented in Lebanon during 2002 and 2003 with resources provided by the Democratic Governance Thematic Trust Fund (DGTTF).

The assessment team was composed of the UNDP Democratic Governance Practice Team Leader for the Arab States Region and a Democratic Governance Adviser from the UNDP Oslo Governance Centre. The team analysed secondary sources such as reports, studies and statistics, and conducted semi-structured interviews with UNDP staff, project staff based at ministries, and heads of municipalities. The mission was fielded from October 19 to 26, 2009.

The most tangible results of the project were:

- ✓ A policy advisory study was completed and a national seminar to validate the study was conducted with government counterparts. The law on decentralization was re-drafted based on the recommendations of the seminar but was not adopted due to various political factors;
- ✓ Policy dialogue on local governance was initiated with local authorities;
- ✓ Training was offered to representatives of 58 municipalities (out of 200 originally intended) on strategic management;
- ✓ Partnerships were developed with the Ministry of Interior and Municipalities as well as local government authorities at municipal level.

Main Findings and lessons learned

Effectiveness

The policy advisory study completed in 2002 provides a critical overview of why previous efforts at introducing legislation on decentralization failed and formulates questions to help inform a potential new law from a legal, administrative and social perspective. As follow-up to the study, a draft law on decentralization was drafted in 2003 by an independent expert working as a consultant for the project. At the time of writing, the debate on decentralization is ongoing in Lebanon, and it is therefore premature to draw any conclusions as to whether the law drafted under the project will come to be enacted by Parliament in its original or in modified form.

The project has partially achieved its intended targets with regard to developing capacities at local level. By the end of 2002, 10 municipal councils had been trained on strategic management, as well as five municipal federations with 48 municipalities.

Although the project has not reached all its intended targets, it made an important contribution to the policy dialogue on decentralization in Lebanon. It also helped consolidate important partnerships with municipalities in the Mount Lebanon governorate and functioned as a pilot for providing technical support to the Ministry of Interior and Municipalities.

Innovation

The findings indicate that the project was innovative as a pioneering initiative by UNDP and the Government of Lebanon in the areas of decentralization and local governance. Given the importance attached by the Lebanese government to the issues addressed by the project and considering the political context in which the decentralization draft law was drafted, the project represents a classic example of a DGTTF-supported intervention as an innovative and small albeit critical high-risk investment with catalytic potential.

Catalytic effect

In 2004, after the initial DGTTF project 'Promotion of Decentralization and Local Governance' was completed with a budget of USD 125,000, the Country Office (CO) applied for additional DGTTF funding for the project 'Municipal Development for Local Empowerment' in the region of Akkar, one of the poorest and least developed in Lebanon. According to the project document, this initiative sought to build on the first DGTTF project through continuous strengthening of the capacity of municipalities to effectively advocate the development of their communities and

implement community development pro-poor participatory projects, linking different stakeholders at local level². The project received only USD 50,000.

According to CO staff, the two DGTTF projects ensured that work on local governance and support to decentralization processes was integrated in local development projects. Approaching local government structures was then considered crucial to engage the public entities at the local level in actual planning and implementation of development strategies. This was later embedded in a project which aimed at localizing MDG targets.

It would be inaccurate to state that without the DGTTF project, UNDP would not have attracted the support of the Government of Lebanon or other donors working with municipalities on a technical level. However, the DGTTF project provided a link between reconstruction and economic recovery, and the politically more sensitive domains of local governance and administrative decentralization.

Sustainability

Ensuring sustainability for a project that focused essentially on providing a legal and implementation support framework for decentralization has proven a challenge. After the project was completed and donor funding was no longer available, municipalities were faced with political blockages to taking decentralization reforms forward. At the same time, resource allocations from central level were limited and required less complex management capacities than those the project had sought to strengthen through trainings.

The record on ownership, however, is more positive, as municipalities, through their associations, increasingly saw the project as their own.

Relevance and strategic positioning

The flexible nature of the DGTTF has been instrumental in allowing the CO to get involved in decentralization at the policy level, and to explore entry points for future work. At the time of writing, it is not possible to ascertain whether and how administrative decentralization will be prioritized by the incoming government. The risks and opportunities associated with future work on decentralization will be discussed in more detail below.

Key lessons learned

- ✓ The Lebanese case confirms the relevance of the DGTTF to middle-income countries. DGTTF is a flexible funding mechanism for COs to engage in policy debates, even in middle-income countries that have the capacity and the financial resources to drive their own development processes but lack the political conditions to carry out reforms that are of critical importance to the achievement of the MDGs.
- ✓ The DGTTF can play a key role in supporting policy dialogue in politically polarized environments. In contexts such as the Lebanese, where sectarian politics hinder progress in an area as politically charged as decentralization, the DGTTF was seen as a valuable resource for the CO to support the government by providing an important contribution to the policy dialogue on administrative decentralization.
- ✓ DGTTF allocations should be more strategic and reporting more rigorous. The DGTTF Allocation Committee should ensure that projects receive enough funding to allow truly catalytic and innovative interventions to be implemented, and at the same time demand more rigorous reporting of DGTTF-funded projects.
- ✓ Although early recovery programmes were not within the scope of the review, the assessment team found that early recovery and reconstruction projects provided entry points for support for local governance and decentralization preparedness. Engaging with local actors on early recovery and reconstruction as well as quick impact employment programmes provided the Lebanon CO with opportunities for building trust and relationships that would later enable capacity development for local governance.

²Government of Lebanon, Ministry of the Displaced, and UNDP, Municipal Development for Local Empowerment Project Document. 2004, p.3.

Introduction

Purpose, scope and methodology of the assessment

This report contains an assessment of the project Promotion of Decentralization and Local Governance, implemented in Lebanon during 2002 and 2003 with resources provided by the Democratic Governance Thematic Trust Fund (DGTTF).

This assessment is part of the DGTTF Lessons Learned Series. The primary purpose of the Series is to examine to what extent the DGTTF funding has met its objective in terms of supporting innovative and catalytic initiatives in democratic governance based on empirical evidence from the ground. In addition, the Series aims at capturing country-level experiences to feed into UNDP policy and programmes on national, regional and global levels. Furthermore, it is also intended to buttress institutional memory and knowledge management efforts at UNDP Country Offices and Regional Service Centres through the codification and dissemination of tools and instruments used in the implementation of DGTTF projects and regional programmes.

The assessment has focused on the project design and results with a focus on innovation and catalytic effect, taking into account the Lebanese context and political environment as well as factors relevant to understanding efforts toward decentralization and improving local governance in Lebanon.

The assessment team analysed secondary sources such as reports, studies and statistics, and conducted semi-structured interviews with UNDP staff, project staff based at ministries and heads of municipalities. The assessment team was composed of the UNDP Democratic Governance Practice Team Leader for the Arab States Region and a Democratic Governance Adviser from the UNDP Oslo Governance Centre. The mission was fielded from October 19 to 26, 2009.

The main constraint faced by the assessment team was the absence of institutional memory related to the DGTTF projects in the areas of local governance and decentralization, which constitute the focus of the DGTTF Lessons Learned Series in the Arab States. Whereas some information could be retrieved from the project Promotion of Decentralization and Local Governance (2002-2003), the information available on the project Municipal Development for Local Empowerment (2004) was not enough to permit an objective assessment of the project results related to innovation or catalytic effect, hence this report focuses only on the former project.

Another constraint was related to the physical location of data in Lebanon. Changes in the security situation and the challenges related to maintaining operations during the 2006 war have led UNDP Lebanon CO to relocate several times, and no archives from 2002-2004 were immediately available in the current location of the CO. It should be noted, however, that CO staff were extremely helpful and made every effort to retrieve information, set up interviews with project stakeholders and former CO staff, and provide data relevant to the project, both during the mission and after it was fielded.

Country context

The political stability and cultural, social and economic prosperity that followed the establishment of the Republic of Lebanon in 1943 came to a halt in 1975, with the outbreak of a civil war aggravated by regional tensions. The fifteen-year-long war left many victims and took a heavy toll on state authority, economic performance and national development. The Ta'ef Reconciliation Accord (hereinafter 'Ta'ef Agreement') signed in 1989 brought the armed conflict to an end and paved the way for a balanced and complex distribution of power amongst the country's various confessional communities.

The Ta'ef Agreement provided the framework for the reconstruction of the Lebanese state. In addition to far-reaching political and other reforms (including administrative decentralization), it called for the restoration of Lebanese sovereignty over all its territories, disbanding all Lebanese and non-Lebanese militias, strengthening internal security forces and armed forces, liberation of Lebanon from Israeli occupation and continued Lebanese-Syrian relations. Under extensive political reforms, the Ta'ef Agreement³ provided for seats in parliament to be shared equally by Christians and Muslims and proportionally divided between the denominations of each faith and the districts.

³Ta'ef Reconciliation Accord, I.C. Available at <http://www.al-bab.com/arab/docs/lebanon/taif.htm>. Last access: 18 November 2009.

At the same time, the Agreement also stressed that the executive power would be vested in the Council of Ministers.

The Ta'ef Agreement ushered in a new era. There were parliamentary and municipal elections, most of the militias were disbanded, and the Lebanese Armed Forces regained control of government authority over most of the country. With parliament's support, only Hezbollah retained its weapons in order to defend southern Lebanon against continuing Israeli occupation (which ended in the spring of 2000).

With the end of the civil war there was an accelerated programme of rehabilitation and economic activity, with a focus on reconstruction of basic physical and public services infrastructure. However, political stability proved difficult to achieve with sporadic violence, political assassinations, rapid turnover of governments, continuing sectarian tensions, and unease about Syrian and other foreign influences.

Meanwhile, following robust economic recovery in the early 1990s, the country experienced steady deceleration of growth, leading to stagnation and recession in both 1999 and 2000. By 2001, the Lebanese state confronted serious governance challenges, a deep economic crisis and the impacts of heightened regional and global instability after September 11. To address the country's economic challenges, the government adopted a Five-Year Fiscal Adjustment Plan (1999-2003) in July 1999 to sustain macro-economic stability. Concurrently, the Council for Development and Reconstruction elaborated a five-year development programme providing a vision for the overall development of the country. A national strategy for administrative reform was initiated to contribute to increased output, productivity and sustained rates of growth. It was within this precarious but dynamic context that the DGTTF project was launched to contribute to the government's decentralization agenda. Yet, successive political and security crises have presented obstacles to the country's post-war reform agenda, including decentralization. The assassination of former Prime Minister Rafik Hariri in 2005 plunged Lebanon into major turmoil. The political and security situation deteriorated severely as a result of two crises in 2006 and 2007, namely, the Israeli invasion of Lebanon (July-August 2006) and the armed clashes in the Nahr al-Bared refugee camp (May 2007).

The political economy of decentralization in Lebanon

Recognizing the impact of the civil war in fragmenting and weakening the Lebanese state, the Ta'ef Agreement stated that 'Lebanon shall be a single and united state with a strong central authority.'⁴ Accordingly, it expanded the powers of the governors and district administrative officers while calling for administrative decentralization to ensure local participation. The Agreement stated that 'a comprehensive and unified development plan capable of developing the provinces economically and socially shall be adopted and the resources of the municipalities, unified municipalities, and associations of municipalities shall be reinforced with the necessary financial resources.'⁵ These ambitious goals have proved elusive.

Beyond the larger political context described above, the difficulty in proceeding with decentralization reforms in Lebanon is intimately linked with its confessional structure of government and the way power is shared between the various groups. The legal framework that regulates administrative divisions, delegation of authority and resources to local level and electoral laws is so connected that reforms in one of these areas have ripple effects in others.

The Ta'ef Agreement included a series of provisions responding to the need to restructure administrative divisions in Lebanon and enhance administrative decentralization. In practice, according to the Ta'ef Agreement, the Lebanese model combines aspects of deconcentration at the level of the eight Mohafazat (governorates) and 25 Qada'a (districts) with administrative decentralization at the municipality level.

In that context, the Lebanon Common Country Assessment (CCA) of 2007 also notes that '[t]he Ta'ef Agreement of 1989 includes a section on administrative reform, including administrative decentralization within a context that safeguards the unity of the country, leaving to legislators to pursue the practicalities of its implementation. A number of administrative decentralization proposals have been presented for discussion since 1995, but they all lacked a clear demarcation between the central government and its "de-concentrated" expressions, on the one hand, and the elected decentralized authorities, on the other. The only area where administrative decentralization has been applied is at municipalities. The Ta'ef Agreement calls for another higher level of decentralization than that of the Qada'a, but a decentralization law is still pending'⁶.

The particularity of Lebanon's democratic system – where no reform or adjustment can ignore the cultural diversity, the confessional structure, and the conditions of minorities – enhances the political nature of local governance reform. Hence, parliamentary discussions about the necessary legislative framework for local governance reform are rampant with political posturing and fear of the impact such reforms could have on a volatile political balance of interests.

According to the Lebanon 2008-2009 National Human Development Report, 'there are issues connected to political elites in Lebanon at the national level, which see decentralization and reform as direct threats to their interests and their continuing in power as za'ims [leaders], since their leadership is intimately linked to local politics and relies on a certain network of clientelist relations that extend from local to national levels; these want no part of political or administrative decentralization reform. Meanwhile, there are factors linked to the historical legacy as a portion of the political elite fears that decentralization will enhance the local space, creating a confrontation with the state, which is what militias succeeded in doing during the civil war'⁷.

⁴Ta'ef Agreement III.A.1

⁵Ibid., III.A.5

⁶UN, United Nations Common Country Assessment: Lebanon, December 2007, pp. 19-20, at <http://www.undg.org/docs/10504/Lebanon-CCA-Report-2007.pdf>. Last access: 7 January 2010.

⁷UNDP, *Toward a citizen's state, Lebanon 2008 – 2009 National Human Development Report*, Beirut 2009, p. 117. at http://hdr.undp.org/en/reports/nationalreports/arabstates/lebanon/NHDR_Lebanon_20082009_En.pdf. Last access: 8 January 2010.

In conclusion, in a politically polarized environment such as that of Lebanon, the inherent complexities of addressing issues related to decentralization cannot be underestimated. At the same time, UNDP cannot and in fact should not shy away from the issue, as it is considered a national priority. This constitutes a classic example of the type of project that the DGTF was

set up to support: an innovative, high-risk, politically sensitive intervention with potential catalytic effect that can, in the long run, make a real difference for the development trajectory of the country concerned. The Lessons Learned section will highlight some key recommendations in this regard.

Box : Key Concepts⁸

The term decentralization is usually applied to refer to any shift away from the centre, whether administrative, political or fiscal. There are three main models of decentralization:

Deconcentration – central government disperses responsibilities for certain services to its regional or local offices. This does not involve any transfer of authority to lower levels of government.

Delegation – central government transfers decision-making responsibility and administration of public functions to local governments or semi-autonomous organizations while retaining supervisory powers at the centre. It can be described as a principal-agent relationship⁹, with the central government as the principal and the local government as the agent.

Devolution – central government transfers authority for decision-making, finance and management to elected bodies with some degree of local autonomy. Local governments have legally recognized geographical boundaries over which they exercise authority and within which they perform public functions.

The shift in responsibility between tiers of government is underpinned by political, administrative, fiscal and market dimensions which define the extent to which intergovernmental relations are deconcentrated, delegated or devolved.

Political decentralization involves the transfer of political authority to the local level through the establishment of elected local government.

Administrative decentralization is the transfer of responsibility for planning, financing and management of public functions from the centre to subordinate units of government agencies, semi-autonomous public authorities, corporations or regional authorities.

Fiscal decentralization refers to resource reallocation from central to local level. If local governments are to carry out decentralized functions effectively, they must have an adequate level of revenues as well as the authority to make decisions about expenditures.

Economic or market decentralization relates to the transfer of public functions from government to voluntary, private or non-governmental institutions. This can be done through contracting out partial service provision or administrative functions, by deregulation or by full privatization.

⁸Source: UNDP. *Democratic Governance Reader – A Reference for UNDP Practitioners*. Oslo and New York, 2009, pp. 114 and 178.

⁹A 'principal-agent relationship' describes a relationship where a person or entity (called the agent) acts on behalf of another (called the principal). In this case, local governments act on behalf of a central government.

Project Promotion of Decentralization and Local Governance (2002)

Background and strategy

As mentioned above, the Ta'ef Agreement included a series of provisions responding to the need to restructure administrative divisions in Lebanon, but did not address concrete ways to do so. In 2001, the Council of Ministers approved a law proposed by the Ministry of Interior and Municipalities granting municipalities more powers, including the authority to prioritize and allocate resources transferred by the central government to address local needs. These cover areas related to infrastructure such as public works, water and sanitation, and roads, as well as issues related to sports and civic associations, social welfare, the supervision of public schools, etc. At the same time, Parliament requested that a new decentralization bill be submitted to promote traction in decentralization reforms.

In this context, and given that municipalities lacked the capacities to effectively discharge the responsibilities accorded to them by the 2001 law, the project 'Promotion of Decentralization and Local Governance' was formulated, with two main objectives:

1. The establishment of an effective policy and regulatory framework for decentralization as well as enhanced capacities within the Ministry for designing and implementing this framework. The project sought to achieve this through the provision of technical advice to the Ministry of Interior and Municipalities for the formulation of policy frameworks on decentralization and strengthening of local government structures for effective development at the local level.

2. Strengthening the capacity of municipalities to effectively implement community development projects in a participatory manner, linking different stakeholders at the local level. This was to be carried out through a needs assessment followed by trainings for municipal officials as well as common citizens, teachers, community-based organizations, etc.

Project outcome and outputs

The project sought to contribute to the outcome 'Increased capacity of local government structures and civil society organizations for analysis, advocacy, coordination and social mobilization' through the following anticipated outputs:

1. Advisory Unit installed at the Ministry of Interior and Municipalities.
2. Coordination of resources and resource mobilization within the Ministry.
3. Municipal and decentralization law drafted.
4. Training of 200 municipal councils completed.

Findings and lessons learned

Effectiveness

The most tangible results of the project were:

- ✓ A policy advisory study was completed and a national seminar to validate the study was conducted with government counterparts. The law on decentralization was re-drafted based on the recommendations of the seminar but was not adopted due to various political factors;
- ✓ Policy dialogue on local governance was initiated with local authorities;
- ✓ Training was offered to representatives of 58 municipalities (out of 200 originally intended) on strategic management;
- ✓ Partnerships were developed with Ministry of Interior and Municipalities as well as local government authorities at municipal level.

The policy advisory study completed in 2002 was one of the main outputs of the project. The study notes that because the Ta'ef Agreement contains a mixture of deconcentration and administrative decentralization elements, a host of complex questions are raised which the three previous decentralization bills failed to address. The study provides a critical overview of each previous bill and formulates questions to help inform a potential new law from a legal, administrative and social perspective.

As follow-up to the study, a draft law on decentralization was drafted in 2003 by an independent expert working as a consultant for the project. Incidentally, the author of the draft law later became Minister of Interior and Municipalities, and

at the time of writing is still serving his government in that capacity. Although the draft law has not been adopted due to differences of position among the various political camps, it is interesting to note that its author moved to occupy a senior government position and lead the Ministry which is in charge of implementing administrative decentralization reforms in the country. At the time of writing, the debate on decentralization is ongoing in Lebanon, and it is therefore premature to draw any conclusions as to whether the law drafted under the project will come to be enacted by Parliament in its original or in modified form.

With regard to developing capacities at local level, the project has partially achieved its intended targets. By the end of 2002, 10 municipal councils had been trained, as well as five municipal federations with 48 municipalities. According to the CO staff, the project faced a number of constraints at the time, particularly with relation to the overall political situation and the policies adopted by the Ministry of Interior. South-South cooperation and gender mainstreaming do not seem to have been explicit concerns in the design of the project. Furthermore, the changes in the security situation in Lebanon have caused the CO to move location since the project was implemented, which presented constraints in terms of archiving relevant information such as lessons learned.

However, although the project has not reached all its intended targets, it made an important contribution to the policy dialogue on decentralization in Lebanon, and at the same time contributed to important partnerships with municipalities in the Mount Lebanon governorate and functioned as a pilot for providing technical support to the Ministry of Interior and Municipalities. It laid the foundation for larger local governance projects and opened up for the discussion on decentralization at a later stage. This is discussed below in greater detail.

Innovation

According to DGTTF guidelines, innovative projects meet one or more of the criteria below:

- ✓ The project addresses a critical democratic governance issue, an issue the resolution of which may lead to substantial improvements in some aspect of Democratic Governance;
- ✓ The issue addressed by the project is recognized as a critical issue by the Government and other donors or partners;

- ✓ The project is an initiative never before attempted in the country concerned, either in the problems addressed or the approach taken;
- ✓ The project is potentially risky. DGTTF projects are not necessarily a guaranteed success. Although it is expected that a proper risk analysis will be undertaken, the DGTTF project is expected to be riskier or less certain of success than a 'traditional' project. It would not be surprising if there were some reluctance on the part of the Government or other governance institutions to fund such an initiative without pilot testing or proven results.

The findings of the assessment team indicate that the project has successfully met the criteria above, and it was innovative as a pioneering initiative by UNDP and the Government of Lebanon in the areas of decentralization and local governance.

As mentioned above, project activities were conceived on the basis of an assessment conducted by an independent consultant, based on a request by the Ministry of Interior and Municipalities. The assessment recommended that UNDP formulate a project to (a) support the Ministry in the provision of expert advisory services to review the legislative framework on decentralization and recommend alternative policies through a new law on decentralization; and (b) contribute to the training of municipal councils and employees as well as civil servants at the local level on strategic management.

Although UNDP had other projects at municipal level, mainly related to poverty reduction and MDG localization, the project provided entry points to tackle local governance to support the achievement of the MDGs. In this context, the project complemented an ongoing project on localizing the MDGs and contributed to enhancing local capacities and fostering dialogue among stakeholders in two ways:

- ✓ Municipal councils in the region of Mount Lebanon were trained and their capacity to engage in policy and political dialogues on decentralization and local governance was strengthened.
- ✓ Civil society organizations, teachers, citizens and local authorities were invited to participate in community meetings and workshops to discuss and formulate development priorities on local level.

Given the importance attached by the Lebanese government to the issues addressed by the project and considering the political context in which the decentralization draft law was

drafted, the project represents a classic example of a DGTTF-supported intervention as an innovative and small albeit critical high-risk investment with catalytic potential.

Catalytic effect

Catalytic projects are defined by the DGTTF guidelines as having a high likelihood of receiving support from Government or other governance institutions (including other donors) for scaling up or following up, if the project is successful.

The assessment team sought to examine whether the project has been catalytic through the following questions:

1. To what extent has the project had a catalytic effect, substantially, financially and in terms of development and/or strengthening of partnerships?
2. To what extent has the DGTTF functioned as a vehicle for COs to jumpstart projects in new areas and to mobilize additional non-core resources, i.e. to manage more strategic initiatives?
3. To what extent has the DGTTF supported in-country delivery, in particular of TRAC resources?

The CO had already been working on local level earlier on a number of fronts before activities were implemented as part of the DGTTF project (see graph below). The project 'Reintegration and Socio-economic Rehabilitation of the Displaced', for example, included a number of activities in the Mount Lebanon region, as follows:

- ✓ Reconciliation activities for returnees and local population, youth and children through community participation in programme implementation, training/workshops in civic education and conflict resolution; sports and cultural activities;
- ✓ Social development interventions such as the provision of equipment and supplies for the existing dispensaries, training for health personnel; basic equipment to primary schools, training for teachers; basic services and income-generating activities for vulnerable groups;
- ✓ Economic development: agricultural and livestock production, small-scale family businesses, credit and marketing systems, employment and income generation.

This project was implemented from 1998 to 2007 with a total budget of approximately USD 4 million, of which most resources came from the government itself, with the UNDP contribution from core funds (TRAC) amounting to USD 250,000 only. In addition, other major initiatives exist in the area of local development: the 'Regional Development Project' in the region of Akkar (from 2001 to date, with a new phase being planned) and the 'Socio-economic Rehabilitation Programme of South Lebanon' (from 2000 to date).

In 2004, after the initial DGTTF project 'Promotion of Decentralization and Local Governance' was completed with a budget of USD 125,000, the CO applied for additional DGTTF funding for the project 'Municipal Development for Local Empowerment' in the region of Akkar, one of the poorest and least developed in Lebanon. According to the project document, this initiative sought to build on the first DGTTF project through continuous strengthening of the capacity of municipalities to 'effectively advocate the development of their communities and implement community development pro-poor participatory projects, linking different stakeholders at local level'¹⁰. The second project received only USD 50,000.

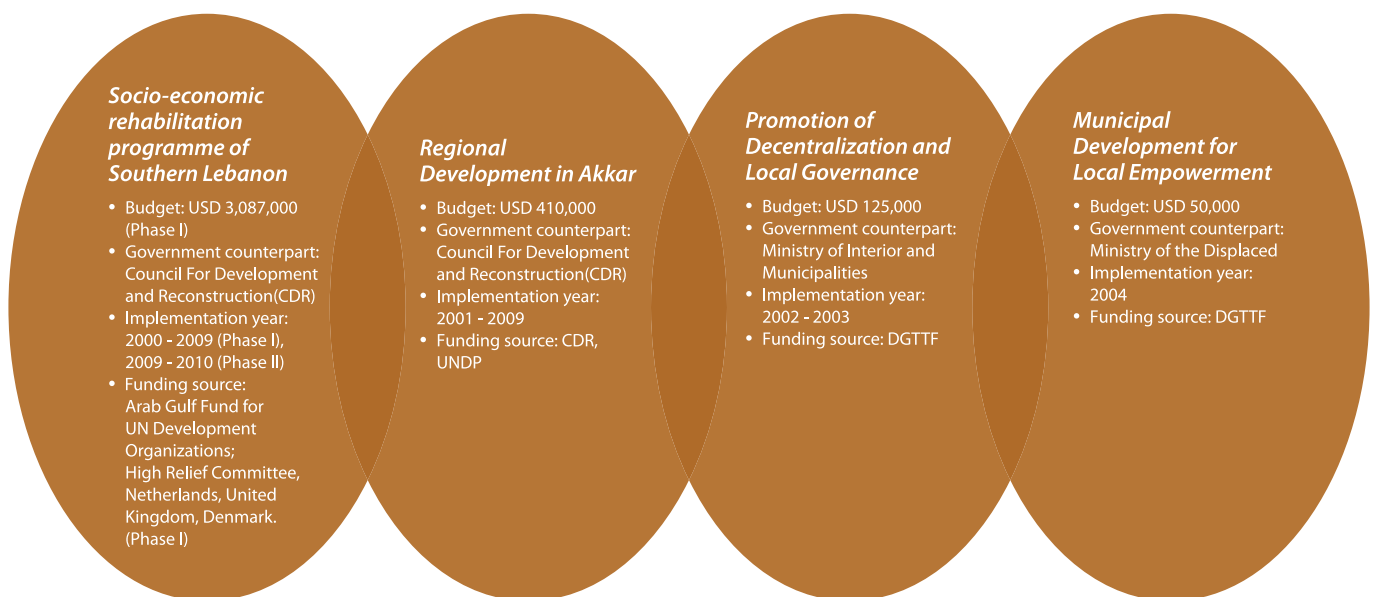
Little institutional memory remains at the CO on this particular project, and all that could be retrieved was the original project document and the annual project report. The annual

project report does not make any reference to the activities described in the project document, but refers instead to activities undertaken as part of the project 'Reintegration and Socio-economic Rehabilitation of the Displaced'. The report seems to indicate that funds from the DGTTF project were used to complement that project rather than to start new activities.

According to CO staff, the two DGTTF projects ensured that work on local governance and support to decentralization processes was integrated in local development projects. Approaching local government structures was then considered crucial to engage the public entities at the local level in actual planning and implementation of development strategies. This was later embedded in the localizing of the MDGs project as a main driver for a comprehensive development mechanism.

It would be inaccurate to state that without the DGTTF project, UNDP would not have attracted the support of the Government of Lebanon or other donors working with municipalities on a technical level. However, the first DGTTF project provided a link between reconstruction and economic recovery, and the politically more sensitive domains of local governance and administrative decentralization.

Local level and decentralization interventions



¹⁰Government of Lebanon, Ministry of the Displaced, and UNDP, Municipal Development for Local Empowerment Project Document. 2004, p.3.

There is no easy attribution with regard to the DGTTF resulting in scaled-up activities in the area of local governance and decentralization: UNDP had been working with municipalities on early recovery and reconstruction and on local development before the initial DGTTF investment in 2002, and used the 2004 DGTTF allocation to complement an ongoing project. This makes it difficult to attribute results to any particular source of funding.

On the other hand, the DGTTF provided UNDP with an entry point to work on decentralization at the policy level, which made it possible for the CO to provide support at a more strategic level in the politically sensitive domain of decentralization.

As the CO stated in 2006, '[g]lobally and in Lebanon, UNDP has created a niche in the area of support to decentralized local governance and capacity development at all levels, focusing on a) creating an enabling environment and institutional framework at national and sub-national levels using participatory approaches, b) developing capacities of institutions with a focus on strengthening accountability and transparency, c) strengthening citizens' participation and community ownership, and d) facilitating partnerships and knowledge sharing amongst various actors.'¹¹

It is interesting to note also that, whereas initiatives on decentralization and local governance are still heavily funded by donors, the Government of Lebanon has funded projects in partnership with UNDP that are considered to be priority areas, such as the project 'Reintegration and Socio-economic Rehabilitation of the Displaced'. While the Government of Lebanon is able and willing to fund projects implemented with UNDP, there may be reluctance to provide resources for reforms that are politically sensitive. This confirms the relevance of the DGTTF as an opportunity for UNDP to engage in programming in areas that are crucial to development yet the subject of political contestation, including in middle-income countries.

Sustainability

Ensuring sustainability for a project that focused essentially on providing a legal and implementation support framework for decentralization has proven a challenge for a number of reasons. Some of these are related to political factors and the difficulties inherent to any serious effort at real decentralization reforms; after the project was completed and donor funding was no longer available, municipalities were faced with

political blockages to taking decentralization reforms forward. At the same time, resource allocations from central level were limited and required less complex management capacities than those the project had sought to strengthen through trainings.

The record on ownership, however, is more positive, as municipalities, through their associations, increasingly saw the project as their own. According to CO staff¹², 'ownership at the time of the project formulation and implementation was ensured through the municipalities, even if the initial request did not come from them. Ownership [in this context] is more of engagement and involvement in the processes (...). At later stages, the Chouf association of municipalities [where the project was implemented] was considered one of the most active local government structures in the area of local development and strategic planning. It opened up to other international development agencies and is currently considered as one of the leading associations of municipalities in Lebanon'.

At the same time, the assessment team had the opportunity to hold informal discussions with five heads of municipalities in different regions, who demonstrated eagerness to take on more administrative responsibilities and play a stronger role in serving local communities. The team found, however, that while the heads of municipalities were strong supporters of administrative decentralization, they essentially regarded it as a licence for communities to conduct their own affairs without much interference from above, rather than as a process that entails mutual accountabilities between local and national authorities. Future interventions in this area could therefore benefit from awareness-raising activities highlighting upward, downward and social accountability mechanisms¹³.

Relevance and strategic positioning

Local governance and decentralization have been part of the development agenda in Lebanon for the past two decades, but progress has been slow. The 2002 2006 UNDAF is highly partial to decentralization as a development strategy, stating that 'mainstreaming the

¹¹ Localization of the Millennium Development Goals in the Swayjani Municipal Federation.

¹² Manal Fouani, personal communication with the authors, December 2009.

¹³ Upward accountability is defined as the answerability of lower ranks to a higher-level authority, such as that of local government bodies to a national body. Downward accountability is the answerability of a higher rank to a lower level, for example a Ministry of Finance to municipalities that receive part of their funds from central level. Social accountability, on the other hand, denotes the answerability of organizations to the people, such as municipal governments who have the responsibility to deliver basic health, education and infrastructure services to the population.

subsidiarity principle will bring government closer to the people through decentralization and strengthening of local and regional governance systems for service delivery, policy formulation and resource management, and local and regional development. (...) [The] UN System Development Cooperation will support national efforts to improve democratic and participatory processes, particularly the achievement of a reliable legal system of local governance and democratization (...).¹⁴

Accordingly, the 2002-2006 UNDP Country Cooperation Framework with the Government of Lebanon mentions 'empowerment at the local level' as one of the main priority areas for UNDP programming. Within that area, the document emphasizes 'Strengthening of municipalities and local governance structures, with the main objective of assisting the Government in reinforcing the capacities of municipalities and considering options for stronger local government, rendering development efforts in the peripheral areas more efficient, responsive and participatory in the long term'.¹⁵

According to the Common Country Assessment of 2007, 'administrative reform has been a recurring theme of government policy statements, but, overall, improvements have been modest, incremental, and not in line with the size and importance of the problems. The Lebanese administration is, after all, the emanation of the Lebanese political system, and administrative reform, unless it is associated with political reform, will only be limited to technical considerations'.¹⁶

The flexible nature of the DGTTF has been instrumental in allowing the CO to get involved in decentralization at the policy level, and exploring entry points for future work. At the time of writing, it is not possible to ascertain whether and how administrative decentralization will be prioritized by the incoming government. The risks and opportunities associated with future work on decentralization will be discussed in more detail below.

Lessons learned

1. The Lebanese case confirms the relevance of the DGTTF to middle-income countries

Lebanon is a middle-income country where the government shares costs for UNDP projects in a number of areas. However, for the reasons discussed above, activities supporting local governance are, for the most part, externally funded due to their sensitive nature yet crucial importance, particularly with

respect to the provision of basic services. This confirms the relevance of the DGTTF as a flexible funding mechanism for COs to engage in policy debates, even in middle-income countries that have the capacity and the financial resources to drive their own development processes but lack the political conditions to carry out reforms that are of critical importance to the achievement of the MDGs.

2. The DGTTF can play a key role in supporting policy dialogue in politically polarized environments

In contexts such as the Lebanese, where sectarian politics make it difficult to make progress in an area as politically charged as decentralization, the DGTTF was seen as a valuable resource for the CO to support the government by providing an important contribution to the policy dialogue on administrative decentralization. In Lebanon, UNDP was able to contribute to the debate through the policy study on decentralization funded by the DGTTF as well as the special relationship it enjoys with both national and local authorities, thanks to its long-term presence in Lebanon and support to central and local government structures during the various crises and their aftermath.

In a politically polarized context such as Lebanon's, supporting policy dialogue for local governance reform is an important contribution to state and institution building. Early recovery and reconstruction on the local level is often the first intervention to alleviate the negative consequences of conflict. For a CO working in this area, graduating assistance from early recovery and reconstruction to local governance reform is often slow, if not daunting. Any contribution in that direction, such as provided by the DGTTF project under study, is a welcome contribution to long-term state and institution building for sustained peaceful development.

3. There is a need for more rigorous implementation of DGTTF allocation criteria as well as reporting requirements

The DGTTF Allocation Committee should ensure that projects receive enough funding to allow truly catalytic and innovative interventions to be implemented, and at the same time demand more rigorous reporting of DGTTF-funded projects.

¹⁴Lebanon UNDAF 2002- 2006, p.12, available at http://www.undg.org/archive_docs/1629-Lebanon_UNDAF__2002-2006_-_Lebanon_2002-2006.pdf. Last access: 11 February 2010.

¹⁵Lebanon Country Cooperation Framework 2002 – 2006, p.8., available at <http://www.undp.org.lb/programme/general/CCF2002-2006.pdf>. Last access: 11 February 2010.

¹⁶p.19.

The little data available from the second DGTTF-funded project ‘Municipal Empowerment for Local Development’ (2004) seems to indicate that the amount of USD 50,000 allocated was not sufficient for a stand-alone project, and the resources seem to have been applied to a project that was already ongoing. Such situations are missed opportunities for the DGTTF to support new ideas and test new frontiers in democratic governance, as it is intended to. At the same time, the DGTTF Allocation Committee should look at previously submitted reporting patterns in the areas and countries where allocations are being considered, to ensure that future assessments can be carried out, as required by DGTTF donors.

4. Early recovery and reconstruction can provide entry points for support for local governance and decentralization preparedness

It is well known that crises present opportunities for change. In the aftermath of war, infrastructure reconstruction for the supply of water, sanitation, energy, waste management, housing, etc., is often a priority, in addition to repairing roads, schools, etc. Although early recovery programmes were not within the scope of the review, the assessment team has found that engaging with local actors on early recovery and reconstruction as well as quick impact employment programmes provided opportunities for building trust and relationships that later enabled programming in more sensitive areas supporting local governance and administrative decentralization through the DGTTF.

In Lebanon, supporting local authorities with reconstruction and recovery activities has enabled UNDP to move into the politically more sensitive area of local governance and prepare the ground for local authorities to take on more responsibilities once decentralization reforms take place.

Local governance and decentralization ‘preparedness’ interventions under various projects have included community meetings and workshops, to allow communities to identify development priorities, capacity development for strategic planning, financial management, reporting, etc.

Further interventions could capitalize on these gains and strengthen participatory mechanisms in the design and monitoring of basic service provision, further develop accountability mechanisms vis-à-vis national authorities and citizens, etc. Timing, however, is important to keep momentum and morale high and avoid the sense that efforts to develop capacities are in vain – for example, if local authorities do not

have the means to utilize their newly acquired skills and more efficient business processes.

This is a particularly important area for future strengthening. As the World Bank emphasizes, Lebanon has a strong record of political participation and a climate of openness which facilitates public debates and NGO engagement. However, there is weak accountability for social services and processes related to procurement, budgeting and tracking of resources, and public services and the provision of common goods is vulnerable to communal considerations. UNDP’s cumulative experience in local development management and working with municipalities, cooperatives, communities as well as key line ministries (of Finance, Interior and Administrative Reform) and the Prime Minister’s office can be better harnessed for future governance reform options relating to voice and accountability using local governance and decentralization assistance.

Annex I – Codification of tools and instruments used

- ✓ UNDP Decentralization Situation Analysis - Policy advisory study on Decentralization by Ziad Baroud (Arabic and English versions)
- ✓ Local Government in Post-Conflict Countries: Lebanon Case Study by Kathleen Hamill and Zena Ali-Ahmad

Standard templates used by the CO in the management of recovery projects at the local level

- ✓ Progress or final report template for municipalities
- ✓ Photo evidence for the infrastructure projects: Before and After
- ✓ Equipment receipt
- ✓ Project management at the field level (Kleileh souk)
- ✓ Financial report for partners (municipalities and cooperatives)
- ✓ Progress report by village
- ✓ Progress report for all villages in one region
- ✓ Receipt
- ✓ Shops survey
- ✓ Progress by donors for all regions (managed centrally)
- ✓ Work plan
- ✓ Bidding results (municipality level)
- ✓ Commitment report
- ✓ Grant receipt
- ✓ Recovery: criteria and modality of implementation
- ✓ ECHO Summary sector reports

Annex II – List of persons interviewed

Abdallah Muhieddine, Area Manager, North Lebanon, ArtGold Lebanon

Ahmad Hatoum, Vice-President, Republic of Lebanon, Municipality of Haret Hreik

Ali Al Ahoumy, Head of El-Houaish municipality

Alexander Costy, Senior Coordination Advisor, UNSCOL

Celine Moyroud, Crisis Prevention and Recovery Advisor, UNDP Lebanon

Dana Sleiman, Communication Officer, UNDP Lebanon

Hassan Krayem, Policy Specialist, UNDP Lebanon

Hichan Hamazy, IT teacher and volunteer, El-Houaish municipality

Manal Fouani, Programme Associate, Poverty and Social Development Portfolio, UNDP Lebanon

Markus E. Bouillon, Political Affairs Officer, UNSCOL

Mireille Karaki, Social Mobilization Officer, UNDP Lebanon

Mohamed Abdel-Al, Deputy Project Manager for Northern Management Unit and Head of Reconstruction Unit for NBC, UNRWA

Oliver Bridge, Project Officer, Project Management Unit for Reconstruction of Naher El-Bared Camp, UNRWA

Raghd Assi, Programme Manager, Poverty and Social Development Portfolio, UNDP Lebanon

Raya El Hassan, Project Manager, UNDP Lebanon / Lebanese Republic, Presidency of the Council of Ministers

Rouba Arja El Hachem, Project Manager, Naher El Bared surrounding municipalities, UNDP Lebanon

Sawsan Masri Kobeissi, Project Manager, Capacity Building for Poverty Reduction, UNDP/Ministry of Social Affairs

Seifeldin Abbato, Country Director, UNDP Lebanon

Sylva Hamieh, Project Manager, UNDP Lebanon

Zena Ali-Ahmad, Deputy Resident Representative, UNDP Syria (formerly Programme Specialist, UNDP Lebanon)

Annex III – Bibliography

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