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DEEPENING DECENTRALISATION PEOGRAMME

2ND QUARTER 2015 REPORT

PREPARED

BY

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1. **Overall Status of the Programme** 

**1.1 Mid-Term Review**

The 2nd Quarter has been characterised by two very important milestones in the implementation of the Deepening decentralisation Programme. To start with, the European Union (EU) launched mid-term review (MTR) of the programme in this quarter to assess the effectiveness, efficiency, relevance, quality, impact and sustainability of the programme interventions. A preliminary report was released in a debriefing fashion. The findings reveal that the performance of the programme on the variables above, is fairly satisfactory with a number of areas of improvement. And in deed as a consequence a number of adjustments and reprogramming areas have been recommended, including among others revising budgets to refocus on Public Financial Management (PFM) and the business processes of the decentralised line ministries; ensuring citizens and civil society participation; refocussing part of the Local Development Grant (LDG) to Local Economic Development (LED); and because the activities started rather late, a twelve (12) months cost neutral extension is recommended. While these recommendations have not been adopted yet, the DDP is rigorously preparing for the implementation of the recommendations. But have what has also been clear from the report is that it is still too earlier for the programme to have realised any impact.

**1.2 Devolution of Functions**

Equally important, meaningful and tangible pre-take off activities geared towards devolution of functions have been witnessed in this quarter. It is widely reported that upon settling in the new office and familiarised herself with the National Decentralisation Policy (NDP), the Minister of Local Government and Chieftainship, instructed the ministry to start implementing the policy with immediate effect. That marked the beginning of consultations and sensitisation campaigns with other line ministries on the devolution of functions. The summit of these campaigns has been the coming together of 7 line ministries to share their understanding and level of devolution they had achieved thus far. A clear programme on gazetting the functions and functionaries has been established. So the quarter has not only experienced tangible movement towards devolution of functions, but also a strong political will from the Minister of Local Government and the Chieftainship.

With the preliminary findings of the MTR and situation of devolution of functions, it could safely be concluded that the overall status of the programme is on target.

1. **Progress Against Programme Outputs**
   1. **Output 1: Improve LDG through local authorities**
      1. Assess the districts/MCC to access the 2nd cycle of the LDG

The firm to undertake the assessment of the districts/MCC has been appointed. The work commenced on 29th June and is anticipated to finish 7th September 2015. The assessment will be based on predetermined minimum conditions. The Minimum conditions are put in place to safeguard the use of public funds and to reduce the fiduciary risks, ensure that sufficient absorption capacity is available in the recipient LG and continuously strengthen performance in pertinent areas such as planning and budgeting, financial management, procurement and governance. In the previous cycle, there were three (3) minimum conditions but two (2) more have been added to make five (5). The conditions will cover those functional areas as Local Government Development Planning and Budgeting; Financial Management and internal Audit; Local Administration; and Project Specific Conditions.

The 2nd cycle also introduces assessment on performance measures which are meant to provide incentives for those councils that have outstanding performance while also improving performance in the Public Financial Management systems, procedures and practices at the local level. The performance measures cover those functional areas as Functioning of the District Council & Implementation of the Annual Work Plan; Financial Management and Internal Audit; Communication, transparency and accountability to the Public; and Staff functional capacity and monitoring.

It is anticipated that the implementation of the grants at the local level will help strengthen systems and provide capacity of the local authorities in the public financial management when full scale devolution is established.

2.1.2 Document lessons from the 1st cycle of the LDG and CBG

The Monitoring and Evaluation consultant has been tasked to document lessons learnt and a report has been submitted. However, this has been rapid exercise and therefore is intended for internal consumption, a more detailed lessons learnt documentation will be produced by the consultancy that is undertaking assessment of the district councils for the 2nd cycle of the LDG. That will inform future interventions on the implementation and management of the Local Development Grant.

* 1. **Output 2: Decentralization & accountability systems at the local level promoted**

2.2.1 Conduct quality of service deliver survey

The main purpose of the service delivery survey is to provide baseline information on the quality, quantity and accessibility of service delivery in Lesotho. The survey was particularly collecting perceptions of service users regarding quality, quantity and accessibility to services including water and sanitation, education, civil registry, infrastructure etc. But the survey also ventured into assessing the institutional capacity of the line ministries who are responsible for providing the services. The data is intended to provide a basis for measuring progress as a result of interventions to improve service delivery. The survey has been undertaken and the 1st draft has been subjected to a validation workshop. The final report will be submitted mid- July 2015.

2.2.2 Review of the LG Act for Re-alignment with the Decentralisation Policy and Structural reviews

The consultants have undertaken a scooping exercise to determine laws that would need to be amended to align and harmonise with the provisions of the newly developed National Decentralisation Policy. Both a scooping report and issues paper have been submitted. The amendment of the Local Government Act will enhance implementation of the National Decentralisation Policy as it proposes a number of reforms including structures and their functions.

2.2.3 Prepare a framework for linking up of inter-governmental transfer system and roll out IFMIS to District Councils

The activity has been put on hold to allow for the strengthening of IFMIS at the central government before it is rolled out to the district councils. The government is still awaiting support from the World Bank.

* 1. **Output 3: Capacities of Line Ministries & Local Authorities enhanced to decentralize functions** 
     1. Develop and disseminate a communication strategy and communication materials

The main purpose for the development of the communication strategy and communication material is to facilitate deepening of decentralisation through coordinated and integrated platform for information, education and communication. The strategy shall provide key issues and messages to drive the decentralisation process in Lesotho. The consultant has produced the 1st draft which has also been subjected to validation by various stakeholders. A number of inputs have been made during the validation workshop to contribute towards finalisation of the strategy. Upon incorporating the stakeholders’ inputs and submitting the final strategy, a number of information, Education and communication (IEC) materials will be produced for different means and medium of communication to help deepen decentralisation.

2.3.2 Support the formation and functioning of Local Government Association

The formation of the local government association would most important provide platform for peer learning for local authorities and coordinated voice for issues pertinent to their performance. In this quarter, the consultant who has been appointed to provide support to the formation of the association has helped develop and register the constitution of the association with the law office under Societies Act of 1995. So the association is legally registered as Lesotho Association of Local Authorities (LALA). For the association to be functional and pursue its mandate, a strategic plan has to be developed to act as a programming framework. To this effect, a draft strategic plan has been produced and is due for validation. The last deliverable on the formation and functioning of the association will be the development of a resource mobilisation model indicative of their sources and methods of resource mobilisation.

2.3.3 Support Mapping of functions, development of competency profiles and business processes.

As indicated earlier on, this has been one of the most crucial actions in the quarter as it marked take off on the devolution of functions and business processes. A number of sessions have been hosted by the MoLG to consult and sensitise staff of their own ministry and other line ministries on the decentralisation of functions and responsibilities. The peak of these sessions has been the inter-ministerial meeting where 7 line ministries took time to describe how far they have moved with the decentralisation of functions. The gazetting of functions is scheduled to complete in the 3rd quarter 2015.

**2.4 Output 4: Programme Managed effectively and consistently** 

2.4.1 Recruitment, induction and posting of Junior Professionals to District Councils

Junior Professionals from UNV office have been recruited and posted in the 7 districts councils (Maseru, Berea, Leribe, Butha Buthe, Mokhotlong, Mafeteng and Quthing) and the Maseru city council. The UNVs have been placed with the councils to support, monitoring and report on the implementation of the Local Development Grants (LDG) and Capacity Development Grants (CBG). The UNVs have been very instrumental in ensuring councils implement interventions on schedules and adherence to budgets is maintained. Both financial and narrative reports have been submitted on monthly basis. It is for this reason a strategic move has been to recruit more UNVs to cover all the district councils in spite of whether they qualify for the LDG or not.

* + 1. Convene the Programme Steering and Technical Committee meetings

The functions of the Programme Steering Committee (PSC) among others are; to ensure overall national ownership of the programme; to provide Policy oversight and guidance on issues as they emerge from project implementation; to assess and decide on Programme changes through revisions; and to ensure Programme Quality Assurance. To exercise these functions effectively, the PSC meets every quarter to review reports, plans and make decisions and resolutions on the status of the programme. In this quarter, PSC has a setting. One of the major resolutions emanating from the reports has been the formation of a high-powered team to meet the Office of the Auditor General on ways to expedite the audit of the district councils. This is because audit was going to be one of the minimum conditions for assessment of the district councils for the 2nd cycle of the LDG.

Programme Technical Committee (PTC) on the other hand is charged with providing technical support and guidance to the programme. It is supposed to meet on monthly basis but the meetings have not been regular, however an extended PTC meeting, which includes going out to project sites was held in June 2015 in Quthing. The meeting discussed districts reports, 2nd quarter progress report, work plan and as well as taking site visits in Quthing and Mafeteng.

* + 1. Capacity building/training for programme management team and participation in international events

In a quest to continue building capacity, Community councillors and UNDP/UNCDF management team attended Commonwealth Local Government Conference (CLGC) in Gaborone, Botswana. The Commonwealth Local Government Conference is held every two years and is Commonwealth Local Government Forum’s flagship event. The conference is a big international event in local government for senior politicians, practitioners and others working in and with local government including national, state and provincial ministers of local government, mayors and local leaders, local government association presidents, senior officials, academics and representatives of professional organisations, civil society and the private sector.

The conference provided an opportunity to discuss issues and developments, and share knowledge and good practice in local government as well as peer-to-peer networking. Delegates learned about new policies, approaches and ideas that can help councils and local authorities to improve their structures and deliver effective services to the community. The theme of the 2015 conference was ***Local government 2030: achieving the vision*** and focused on priorities for local government post-2015 to play its full part in development including improving local governance and effectiveness, promoting sustainable local development, and strategies for inclusive, resilient and sustainable cities.

* + 1. Support the internal and external audit of Councils

DDP has provided financial support to the office of the Auditor General to undertake the districts audits. The first round of the audits will be in Mokhotlong, Mafeteng, Berea, Mohale‘s hoek, Butha Buthe. The audit reports will further be used for the assessment of the district councils on their eligibility as the audit is one of the minimum conditions. Internal audits are supported to happen in the 3rd quarter.

1. **Key Activities for the 3RD Quarter**

* Assess the districts/MCC to access the 2nd cycle of the LDG
* Review of the LG Act for Re-alignment with the Decentralisation Policy and Structural reviews
* Develop and implement communication materials on the programme and decentralization Policy
* Support Mapping of functions, development of competency profiles and business processes.
* Conduct Leadership and organizational change workshops
* Convene the Programme Steering and Technical Committee meetings
* Convene bi annual meetings with NSA
* Hold national public dialogue on decentralisation

Given the MTR report, the work plan for the 3rd will need to be revised to accommodate the MTR recommendations.

**4. Budget Status**

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| **Activity** | **Budget** | **Expenditure** | **Balance** |
| 1. Improved Development Funding | 1,534,313 | 146,293 | 278,784 |
| 1. Decentralisation & Accountability |  | 260,889 | 391,077 |
| 1. Capacity of line Ministries |  | 88,437 | 25,006 |
| 1. Programme Management |  | 55,792 | 673,088 |
| **Total** | **1,534,313** | **551,510** | **810,387** |