



## Monitoring Report

**Monitoring reference** MR-041506.03  
**Report date** 13/04/2010  
**Project title** Community based approach to local development

### I. Intervention data

Status	FINAL
Monitoring Report Type	Ongoing
Aid Modality	Project approach
Project	Single Country / National Project
Project Management	Project managed by the Delegation (devolved)
Financed via a thematic budget line	No
CRIS Number	C-143053
Project Title according to Financing Agreement/Financing Decision	COMMUNITY BASED APPROACH TO LOCAL DEVELOPMENT
Domain	TACIS
DAC - CRS Sector	16050 - Multisector aid for basic social services
Additional DAC - CRS code	16050 - Multisector aid for basic social services
Geographical zone	Ukraine
Keyword (for innovative interventions)	Good Governance
Date Financing Agreement/Financing Decision/Contract signed	15/06/2007
Person responsible at HQ	
Person responsible at Delegation	DIDUKH Mira
Monitor	Katherina Pirozhenko
Project Authority	United Nations Development Programm
Type of implementing partner	UN family organizations (incl. WB)
Start date - planned	05/09/2007
End date - planned	05/03/2011
Start date - actual	05/09/2007
End date - likely	05/03/2011
Monitoring visit date	from 01/04/2010 to 08/04/2010

### II. Financial data

Primary commitment (EC funding)	12,000,000
Budget allocated for TA	Not Available
Secondary commitment (funds contracted of EC contribution)	12,000,000
Other funding (government and/or other donors)	1,333,000
Total budget of operation	13,333,000
Total EC funds disbursed	8,210,384
Financial data on	31/03/2010

### III. Grading

Relevance and quality of design	A
Efficiency of Implementation to date	B
Effectiveness to date	B
Impact prospects	A
Potential sustainability	B

### IV. Summary of conclusions

#### Relevance and quality of design

The project 'Community Based Approach' (CBA) aims at improving living conditions of local communities and strengthening participatory governance in 25 regions of Ukraine. Accordingly, oblast state administrations and community organisations (COs) are the main Partners. Being in line with the EC and UNDP strategies on regional development, the project promotes local infrastructure improvements in 5 priority areas. Expressed priorities of the communities pertain to energy saving measures (50%), health (22%), water supply (16%), school transport (5%) and environment (1%). By developing COs and Micro-Projects (MPs), the project has created a model of cooperation between self-governing COs and local authorities.

The project is relevant. Assistance in self-organisation, bottom-up planning and joint decision-making (under conditions of economic crisis) is especially appreciated by communities and village/city administrations. Good cooperation exists with Oblast Implementation Units (OIUs).

The revised Logframe Matrix is adequate. The Overall Objective, 4 Specific Objectives (SOs), Results and corresponding Activities are coherent and relevant to the sectors. Objectively Verifiable Indicators (OVIs) and Assumptions are appropriate. Annual Work plans are available.

During the reporting period (September 2009 - March 2010) the project was implemented in accordance with the Work Plan. SOs and Results seem achievable within the envisaged duration.

Project support from the central governmental level was shown during the 2nd Steering Committee (SC) meeting on 15 October 2009. Close partnership has been established at local level.

Project coordination, management and implementation mechanism are efficient and supportive for local ownership through: households, organised in COs in selected communities; local development forums (LDF) in rayons; Rayon Community Resource Centres (CRCs, equal to OIUs); Oblast Coordination Council (OCC) and SC. This collaboration model has already brought tangible result: 239 micro-projects have been completed and 800 are under implementation. The idea of a 4-year follow-up project is reasonable, considering the innovative project approach to energy efficiency and water supply, the need to focus more on environmental issues (including waste management), the limited number of rayons covered and replicable bottom-up partnership mechanism created. To sustain results, any time-gap between two projects should be avoided.

#### Efficiency of Implementation to date

By 31 March 2010 utilisation of input is below the time expired. Human resources, equipment and local office costs were used adequately, while travel expenses to the lesser extent. Funds for visibility actions and trainings are over-spent. Considering the importance of these activities, some budget re-allocations would be advisable.

The original 40 MPs-Quota was approved for each region as follows: 5% from community, 45% from local budget and 50% from CBA. Eventually, 7.3% of total costs were received from community, 44.8% from local budget, 1.4% from the private sector and 46.5% from the project.

Costs saved from MPs were used for (1) additional initiatives: to date, 1,350 MPs (tranches) have been realised instead of the 1,175 originally planned; (2) a grant proposal of 1,000 USD for office equipment for CRCs, initiated by local communities and supported by the Contractor.

It looks as if the co-financing problem is resolved. Warranty letters, ensuring allocation of funds for MPs to COs, have been received from most of the involved local authorities.

Previous delays in Activity implementation have been eliminated. To date, 14 out of 18 Activities have been completed and 4 are ongoing, which is in line with the time spent. However, the Activity 'Assist COs in handling over of completed projects and establishing of sustainable management, operation and maintenance mechanisms' should receive special attention. Delayed partnership agreements, national co-financing and seasonal factors caused delays in the completion of some MPs. To keep the project on schedule and to adapt to local needs, the Contractor applied a flexible approach. As a result, output delivery is adequate in terms of

quantity and quality. Since the project achieved targeted quantitative indicators, it should now focus more on the quality of outputs.

### **Effectiveness to date**

Visible contribution of Outputs to the 4 Results is testified by OVIs: (1) CRCs mobilised well local communities and other stakeholders for CBA implementation; however, professional and technical capacities of CRCs need to be improved; (2) most of the 1,116 self-governing COs (1,000 were targeted) are capable to interact with local authorities and to carry out self-help initiatives; lacking experience, their staff should be trained, especially regarding international and national financial procedures; (3) a system for decentralised and participatory planning, decision-making and implementation has been created in form of 205 LDFs (the target was 200) and OCCs (25); (4) rehabilitated communal infrastructures will improve living conditions of around 1M inhabitants. Results contribute directly to achievement of SOs. Living conditions in communities are improved through sustainable community-based self-help initiatives. Participatory local governance based on joint decision making and partnership is demonstrated through self-governing COs. Professional skills and knowledge of COs and local authorities are enhanced to initiate and maintain local development process. Experience on participatory planning, decision-making and social action with a view to providing inputs for policy and legal reforms is being documented in study/ assessment reports, produced by UNDP.

### **Impact prospects**

The project will certainly contribute to the creation of enabling environment for long-term self-sustaining social-economic and environmental development at local level throughout Ukraine, its Overall Objective. Local communities and regional/local authorities support the project in all the regions. Incorporation of CBA partnership mechanisms as an element of a local governance policy and the awareness of community opportunities are among positive effects of this project. Its impact will further increase when all MPs are finalised and local authorities will introduce CBA mechanisms.

The CBA enabled to commit USD 4M in community financing and catalyzed internal investments. National and Oblast-level conferences in target regions may contribute to dissemination of best practices.

Collaboration with the two EC-funded projects 'Support to Sustainable Regional Development' and 'Sustainable Local Development' should be continued and intensified, particularly as regards joint regional training and establishment of regional funds.

### **Potential sustainability**

The financial/ economic viability of the project is promising. Sustainability of community initiatives will be ensured by co-financing mechanism, involving public and community resources, as well as private business and other donors' contribution. There is already a positive tendency of incorporating CO's plans into rayon/ oblast plans and budgets in some regions.

The idea of regional development funds might result in the establishment of local funds, managed jointly at oblast, rayon and community levels. This would enable to channel funds directly to communities. The establishment of local institutional structures promoted the feeling of ownership of project results. Legal procedures for community development and budget process planning/ implementation were promoted. Training of local authorities and COs on financial procedures and fund-raising is advisable within the current and any follow-up project.

### **Key observations and recommendations**

The EC Services are recommended to prepare a follow-up project for next year based on the same coordination, management and implementation mechanisms, covering all priority sectors, with particular focus on energy efficiency and environment. The follow-up project should envisage training of local authorities and community structures on financial CBA procedures and fund-raising.

The EC Project Manager (PM) is recommended to support project initiatives for increasing CRCs' capacities through office equipment procurement and additional training.

The EC PM is recommended to advise the Contractor and Project Partners to: (1) re-allocate funds to ensure sufficient budget allocations for training and visibility actions; (2) focus on quality of outputs during the remaining project period; (3) intensify cooperation with the two EC-funded projects aiming at sustainable regional/ local development as regards training and establishment of regional funds; (4) follow closely co-financing issue, especially in those rayons/ villages, from which warranty letters are not available; (5) re-establish the Steering Committee; (6) organise national and oblast-level conferences in regions to disseminate best practices and share experience.