PLANNING AT THE LOCAL LEVEL
approaches and lessons learned
RURAL GROWTH PROGRAMME

The Rural Growth Programme (RGP) has been implemented throughout 2010-12 in 65 Jamoats of 14 rural districts in the Sughd Province of Tajikistan. It is funded by the United Kingdom Department for International Development (DFID), the German Government through the German Agency for International Cooperation (GIZ) and the United Nations Development Program (UNDP). The Programme's main implementing agencies are GIZ and UNDP that involve other organizations as sub-contractors as required.

The goal of RGP is to improve the local environment for economic growth, income generation and job creation, including for women and poor population groups in the Sughd Province of Tajikistan. The programme aims at enhancing rural economic development through the following components:

- Governance for local economic development to address the need to build capacity of governance actors (local government, private sector and civil society) in local development planning and plans implementations;
- Business and agriculture advisory/extension services (value chain development) aims to address the need to add value to rural businesses by developing value chains;
- Organizational development of the private sector (business associations and public private dialogue) aims to address the need to support services for businesses;
- Vocational training and labour market aims to address the need to strengthen vocational training institutions to meet labour market demand.
- Access to micro-credit and rural finance aims to address the need to enable access to credit and finance for businesses.

UNDP assumes overall responsibility for the first component of the Program, while GIZ is chiefly responsible for the implementation of the other components.
INTRODUCTION

ANALYSIS OF APPROACHES AND LESSONS LEARNED REGARDING THE EFFECTIVENESS OF APPLYING PLANNING FOR LOCAL ECONOMIC DEVELOPMENT:

1. Introduction of the medium-term planning on the ground is a tool for localization of national development goals and strategies, provided a clear planning methodology and coordination between different level plans are in place.

2. Economic development sustainability prospects largely depend on the use of an integrated approach to planning.

3. The issue of effectiveness of local government bodies in the economic development planning and plan implementation is indivisible from the issue of competences redistribution between the levels of government.

4. The quality of planning is determined by the quality of information inputs and the quality of the organization of the planning process.

5. Success in development plans implementation is dependent on resources availability and the quality of monitoring.

6. Further enhancement of the development planning and plans implementation practice requires investments into the system of continuous information and advisory support and training.
This brochure elaborates on the approaches and the innovative experience gained in the course of implementation of the first component of RGP “governance for local economic development”. It draws attention to the subject of effectiveness of the medium-term planning for local economic development and focuses on the analysis of the planning process itself, key lessons learned, as well as on the aspects supporting and hindering broad and effective application of the local planning practice in the Republic of Tajikistan.

The TARGET GROUP of this publication is the government bodies of various levels (from the local self-governments at the Jamoat level to the national ministries and agencies), as well as various national and local organizations interested in the enhancement and modernization of the governance process in the Republic of Tajikistan.

The GOALS pursued by this publication include:

1) Impartial documentation of the RGP experience gained in the sphere of planning with the focus on local economic development in the Sughd Province,

2) Dissemination of this experience in order to raise awareness of government bodies of other regions of Tajikistan about the planning practice,

3) Analysis of the main aspects contributing to and hampering effective application of medium-term local development practice in Tajikistan, that require attention of the national level decision makers and that are linked to the national strategies, and legal and regulatory framework (i.e. “mechanisms” that bring to motion and secure effective work of the planning “machine”).
Medium-term planning in local state government system as well as for local self-governments has become a common practice worldwide. It is also an important precondition for improving the process of governance for development. The interest to introduce the practice in Tajikistan has recently increased due to need to localize the Millennium Development Goals, the National Development Strategy (NDS) and the poverty eradication strategies. The issues of sustainable economic development are mainstreamed in all these documents.

NDS is a state strategic framework document determining the national long-term development goals and priorities. All development partners (foreign states, international organizations, civil society and the business community) should align their programs and plans with these priorities in the framework of effective public-private and social partnership.

The streamlining of the national development process, including increasing its coordinative nature and comprehensiveness implies a need to bring all national, sectoral and regional policies and programs in conformity with the requirements of the overall national development and NDS goals, as well as to modify organizationally the system of governing the development process at various levels.

“Ensuring sustainable economic development and, thus, improving the quality of life of people of the country has been the primary goal of the state and its government from the early times of independence till today.”

Appeal of the President of the Republic of Tajikistan to the Majlisi Oli of the Republic of Tajikistan, 20.04.2011
The main approaches to the creation of this governance system are outlined in the Public Administration Reform Strategy approved by the Decree #1713 of the President of the Republic of Tajikistan (March 15, 2006). Furthermore, the legal and regulatory grounds are being laid down in Tajikistan for medium and long-term planning of the territorial social and economic development. The obligation for medium-term planning by the national government and local self-governments is fixed in the Constitutional Law #28 of the Republic of Tajikistan “On local state government bodies” (May 17, 2004), in the Law #549 of the Republic of Tajikistan “On local self-government bodies of townships and villages” (August 5, 2009), and in the Law #53 of the Republic of Tajikistan “On state projections, concepts, strategies and programs of social and economic development of the Republic of Tajikistan” (December 8, 2003). In this context, with the support of the RGP, the Department for Territorial Development Planning within the Ministry of Economic Development and Trade of the Republic of Tajikistan (MEDT) elaborated a guidebook on medium-term sustainable social and economic development planning in the support of public servants at district level and local self-government specialists at Jamoat level. The guidelines have been tested in the course of compiling development plans for 65 jamoats and 14 districts of the Sughd Province. Following an official endorsement of MEDT expected in early 2012, the planning methodology will be recommended for application throughout the country.

“In the context of the democratization of the Tajik society, the local self-governments at the level of jamoats (that are being formed at the grassroots and that are no longer a chain of the vertical state power) are becoming the core of the governance system. It is important now at the level of local self-governments to introduce and master new tools of effective management, like the bottom up planning and to build interrelations with other levels of government.”

A.A. Nazarov, Prof. of Economy
The experience of NDS localization in district and jamoat development programs and plans

The MEDT’s guidelines for elaborating development plans and programs suggest conducting thorough analysis of the situation in districts and jamoats across all sectors of development. In line with the main NDS blocks, the analysis pays particular attention to the following domains:

1. Economic and infrastructure domain that lays the grounds for local economic development and embrace such sub-sectors as agriculture and industry (under “economy”), and transport, communications, local communal infrastructure, including irrigation and power supply (under “infrastructure”);

2. Social domain that promotes increased access to basic social services, including healthcare, education, water supply and sanitation, and social security;

3. Functional measures that support establishment of the institutional basis for management of the local social and economic development. These measures aim at improving general managerial capacities of local authorities and their cooperation with other sectors (private sector and civil society), as well as at enhancing the business environment and the organization of service delivery systems. It is recommended to integrate the functional measures into all relevant sectors of the development programs and plans.

Some examples of indicators pertaining to relevant objectives and projects in the development plans and programs, in relation to each of the mentioned domains, include the following:

Economic and infrastructure (with functional measures integrated):
- Increase in gross agricultural produce,
- Increase in gross industrial produce,
- Increased provision of agricultural machinery to serve the farmers,
- Number of registered enterprises and entrepreneurs (including women),
- Number of businesses with granted premises rent,
- Percentage of farmers that joined associations,
- Level of demand for services provided by a business incubator,
- Volume and number of microloans issued to entrepreneurs (including to women),
- Percentage of water users that use water meters and hydro-posts,
- Financial sustainability of the housing and public utilities enterprise.

Social (with functional measures integrated):
- Percentage of schools supplied with computer equipment,
- Number of refurbished and equipped health facilities,
- Percentage of schools staffed by teachers (as a result of incentive measures).

General managerial and functional issues:
- Number of Jamoats where an electronic statistical database system is introduced,
- Number of specialists that have undergone computer training.
The planning methodology proposed by MEDT is innovative in its intent to coordinate planning at the local level with planning at the national level, by determining sectoral priorities and thematic foci, and linking development indicators at the two levels. The application of the planning methodology in the Sughd Province at the level of jamoats and districts showed a need to further elaborate the linkages along the cascade planning system “national strategies – province strategies/framework programs - district development programs - jamoat development plans – community development priorities”.

While recognizing the importance of consistency between the medium-term plans of different levels, RGP has also made the first attempt to link the medium-term planning at the level of jamoats and districts with, on one hand, the planning at the community level, and on the other hand, with the planning at the regional level.

The former has been done thanks to the positive experience already accumulated in various regions of the country with the support of the Aga Khan Foundation's Mountain Societies Development Support Program (MSDSP) in the area of mobilization of existing community resources and broad community engagement in defining development priorities, which had to be systematically linked to the jamoat level planning process.

The latter was a response to the request of the Sughd province administration to RGP for updating the existing Sughd Province Development Program 2010-15 (with the idea to deepen situation analysis, in particular in the economic sector, and to take into account priorities identified in the district level planning process).

This was experimental work, since there is no yet a clear approach to linking different level plans and programs in the country. The following preliminary lessons were derived from this experience:

- Higher level plans ought to take into account lower level plans, yet, they should not be simply an accumulation of lower level plans. Thus, there is a need to strike a right balance between planning from the bottom and planning from the top. The both approaches have their benefits and disadvantages. For instance, planning of some sectoral issues goes beyond the competences of jamoats or even districts (e.g. land issues exceed jamoat competences; power supply, main roads development and tax benefits for businesses exceed district competences).

On the one hand, planning that is limited by a horizon of a single jamoat or a single district fails to take into account development visions, priorities and strategies of neighbor districts or jamoats, which could be important for ensuring synergies and for avoiding inefficiencies in the use of resources, as well as for minimizing potential conflicts of interests between the neighboring administrative territories.
The problem of integration between the plans of different levels was raised by the chairmen of the District Working Groups (that were responsible for supervising and coordinating the elaboration of the districts development programs) already at one of their first coordination meeting organized under RGP. The discussion of possible measures for ensuring the integration of different level plans resulted into the following proposals:

- Include delegated representatives of mahalla committees into the Working Groups responsible for elaborating jamoat level plans, and, further, include delegated representatives of jamoats into the Working Groups responsible for elaborating district level plans,

- Before submitting the jamoat development plans for the approval of the jamoat council (shuro), conduct hearings of all draft jamoat development plans in a respective district by sectors, in order to enable both district and jamoat specialists to coordinate their analysis, priorities and proposed solutions to the identified problems.

In the course of such coordination, in a number of cases, problems identified went beyond jamoat competences (e.g. in the area of electric power supply) and required a district level solution and economically sound approaches that are difficult to ensure for individual jamoats (e.g. in the increasing effectiveness or establishment of housing and public utility enterprises).

On the other hand, the bottom up planning is vital since the local authorities - in particular local self-governments (jamoats) and community self-organisations (mahalla or rural neighborhood committees) - are closer to citizens and are better aware of their needs. Through the participation in the planning process they become more committed to plans implementation. Moreover they better comprehend root causes of existing problems, while some problem are being already addressed as the planning unfolds.

- Coordination between lower and higher level plans is particularly crucial in the context of economic development and the introduction of functional or structural changes (in particular in the areas that are undergoing reforms, such as governance of agriculture or water sector), as well as for securing economy of scale in service delivery.

**First experience of integrating planning “from the top” with planning “from the bottom”**

The problem of integration between the plans of different levels was raised by the chairmen of the District Working Groups (that were responsible for supervising and coordinating the elaboration of the districts development programs) already at one of their first coordination meeting organized under RGP. The discussion of possible measures for ensuring the integration of different level plans resulted into the following proposals:

- Include delegated representatives of mahalla committees into the Working Groups responsible for elaborating jamoat level plans, and, further, include delegated representatives of jamoats into the Working Groups responsible for elaborating district level plans,

- Before submitting the jamoat development plans for the approval of the jamoat council (shuro), conduct hearings of all draft jamoat development plans in a respective district by sectors, in order to enable both district and jamoat specialists to coordinate their analysis, priorities and proposed solutions to the identified problems.

In the course of such coordination, in a number of cases, problems identified went beyond jamoat competences (e.g. in the area of electric power supply) and required a district level solution and economically sound approaches that are difficult to ensure for individual jamoats (e.g. in the increasing effectiveness or establishment of housing and public utility enterprises).
LESSON 2
Economic development sustainability prospects largely depend on the use of an integrated approach to planning

The era of dynamic changes - that affects Tajikistan and is linked to the effects of global and regional economic trends, environmental and climate changes, introduction of new technologies, interpenetration of various spheres of knowledge - opens new development opportunities for the regions of the country, but at the same time significantly increases the cost of governance mistakes. These mistakes can be minimized in the process of medium-term planning through the application of an integrated approach which calls for:

- A holistic vision of development issues that encompasses all sectors of development in a district or a jamoat and foresees their interface, with particular emphasis on harmonization between the economic and social sectors for achieving sustainability of the planned development. Sustainable development is such development that, by meeting the current needs of a society, does not weaken the ability of future generations to meet their development needs.

- Concentration of efforts and engagement of all development actors in a given area in development plans and programs drafting and implementation (both internal ones, like government structures, private sector and civil society, and external, like investors, international projects and donors).

- Systematic integration of the so-called “cross-cutting issues” relevant to Tajikistan into development planning (such as poverty, unemployment, environment and climate change, gender, labor migration, conflict and disaster prevention) with the purpose of long-term sustainable development of territories.

“Any environmental problem affects the lives of people, as much as human activities produce an impact on the environment. The problem analysis helps to identify instances where it is strategically particularly important to consider environment. Thus, in Tajikistan where rural population constitutes over 70%, only 7% of lands are suitable for agriculture, of which 97% are prone to degradation. While planning prevention of the environmental problems aggravation and the rational use of natural resources we create a basis for sustainable economic development locally.”

I. Zokirov, Deputy Director of the Sughd Regional TV
The medium-term planning experience accumulated in Tajikistan proves the importance of the integration into economic planning of such sustainability aspects as:

- Preservation of the ecological and climatic balance and sustainable use of natural resources, as well as prevention and mitigation of natural disasters that cause damage to business and economic activities. Ignoring the potential environmental risks can have a direct negative impact on productivity and welfare. The analysis conducted in the course of development programs and plans elaboration demonstrates that in the districts dependent on agriculture, such environmental problems as deforestation or land degradation lead to lower productivity and yield, as well as lower incomes for the population. In order to integrate environmental issues into local development planning, the MEDT planning methodology proposes a wide range of measures tested on the ground in the Sughd Province.

“The barbaric use of natural resources, that are exhaustible, leads to impoverishment of the population. The problems of depletion of forest, land and pastures in Sughd Province require immediate solutions. It is important to find them together with professionals knowledgeable in environmental domain.”

A. Abduvaliev, Head of Control and Inspection Department of the Sughd Province Environmental Protection Committee
Poverty aspects. Sustainable development of agriculture, industry and small and medium businesses are a source of employment and income for the population that play a crucial role in overcoming poverty. Development of these sectors also affects the budget revenues that are further used for “paying the public bills” and to addressing social problems. In the context of poverty reduction, attention also is to be paid to the positive effects of labor migration (including the impact of the remittances on reducing households’ poverty and inequalities, and the households’ ability to invest in to economically productive activities). In order for the development plans and programs to produce benefits for the poorest population groups, it is imperative to involve them into the planning process, at least in the form of consultations.

Gender issues. The experience accumulated in the course of development planning proves that it is essential to see through the gender lens not only the situation and analysis, but also at the organization of the very process of planning. This includes the composition of participants and the events format (venue, timing, etc.) which can both facilitate or impede the creation of equal opportunities for participation of men and women. It is important to have an adequate representation of women in the development planning Working Groups. Women's qualitative and quantitative participation influences the extent, to which the planned measures address strengthening women's economic status.

“In the course of working on the development program in our district, for the first time women had an opportunity to participate in an organized manner in the discussion of their problems and possible ways to address them. Moreover, they were able to propose indicators, which in women’s view are important to monitor the effect of planned projects on the status of women.”

M. Abdusamadova, NGO “Maqsad”, Ghonchi District
For an adequate reflection of the “cross-cutting issues” in the development plans and programs these issues should be thought of already at the stage of forming development planning Working Groups (i.e. including relevant specialists into the Working Groups).

**Experience of Integrating environmental issues into the district programs**

The work on integrating environmental issues into the development programs was supported, though to a different degree, in all 14 districts of the Sughd Province. In many cases special environmental Initiative Groups were formed. With the support of a facilitator, these conducted environmental problem analysis in their districts and proposed priority measures to address them. Particular attention in the work of these groups was paid to the involvement of the school “green patrol” movement that has been becoming increasingly active in the Sughd Province. As a next step, the analysis and priorities of the environmental groups were integrated into the analysis and priorities of respective sectors, and reflected upon in the development plans and programs. For instance:

- The issue of land degradation (erosion due to deforestation, salinization of soils as a result of a failure to apply proper irrigation scheme and inefficient land use) have found their reflection in the chapter on agriculture, and the problem of air pollution with emissions to the atmosphere by industrial enterprises and the lack of ecological certificates were incorporated in the chapter on industry;

- Decrease in the groundwater level as a result of the uncontrolled water use from wells and the disposal of solid waste have been integrated into chapters related to water supply and housing and public utilities enterprise.

Environment has also found reflection in the vision formulated by some districts. For instance, the vision of the Kuhistoni Mastchoh district reads as follows: “The Kuhistoni Mastchoh district is a green area with beautiful nature and potential of sustainable development of agriculture. It is a potato seed centre of the Republic of Tajikistan with the growing entrepreneurship in the sphere of tourism with attractive life standard and good social services access.” Active participation of the environmental Initiative Group in the Kuhistoni Mastchoh district is hold accountable for the depth of the environmental problem analysis in the district development program, as well as for the identification of potential district economic growth points at the account of more effective and efficient use of natural resources. The inclusion of the yaks breeding project into the district development plan demonstrates how environmental thinking can facilitate economic development.

Cooperation arrangements with the UNDP/UNEP Programme “Poverty and Environment Initiative” helped local partners to internalize the practice of integrating environmental aspects and linking them to the economic growth and poverty reduction. The experience also revealed a further need to increase the population’s environmental awareness level and to improve skills of local specialists and development managers.
LESSON 3
The issue of effectiveness of local government bodies in the economic development planning and plans implementation is indivisible from the issue of competences redistribution between levels of government

Today, planning - particularly in the economic domain in the context of the free market economy - requires new approaches. These approaches differ from those applied in the centrally managed economy. Transition to free market relations implies a change of state and governments functions. With the role of the private sector becoming more prominent, increasing importance is assigned to joint economic planning, in which priorities are identified jointly based on role, opinion and opportunities of other sectors.

Nowadays, the functions of the local government include creation of favorable conditions for sustainable local economic development along with preservation of the environment, investment attraction, small and medium businesses promotion, employment and income generation, improvement of people’s opportunities for upgrading their skills, exercise of a right to participate by citizens, establishing public consensus between various population groups and shaping the image of a territory.

The RGP experience confirms that in Tajikistan the local authorities still lack sufficiently broad competencies (and, thus, experience) in forming their own revenue base and stimulating local economic growth through the use of formal mechanisms. Yet, much is being done at the local level, including informally, for the development of entrepreneurial activities.

“How to govern without distorting the market relations?”, “How to support development of private businesses without favoring individual businessmen?”, “What management tools can be used for enhancing enabling environment for local economic growth?” – these are all new questions for the post-Soviet countries. In Tajikistan the task is further complicated by the fact that the tools for local economic governance are still underdeveloped.”

L. Krylova-Mueller, International Governance advisor to UNDP CP, the interview to “Jumhuriyat” newspaper of 12/04/2011
In order to better understand the public sector’s role in the process of local economic development and its interface with the private sector and civil society in the course of development implementation, RGP organized educational activities related to local economic development. These activities covered such important topics as assessment of local economy, improvement of business environment and encouraging investments, export promotion and regional branding, fundraising for the implementation of development programs, assessment of investment projects, etc. These themes touch upon the essence and the role of local authorities in context of a market economy, which includes greater deregulation and stimulation of the participation of other sectors of society in local development.

The situation analyses in the districts and the jamoats of the Sughd Province and the process of economic strategies elaboration has revealed an urgent need in more systemic capacity building of the local authorities for their better understanding of their new role in local economic development, particularly in the agricultural sector (which is applicable for most districts of the country where incomes of the population is dependent on agriculture).

The functional analysis of the agricultural sector supported by RGP, that focused on the role of local governments, confirmed the need for roles redefinition and for powers redistribution between different branches and levels of government in the sector management, as much as for adequate provision of human resources for implementing the reforms.

"It is impossible to plan at the local level without the involvement of mahalla committees. The opinion of a jamoat is formed through the participation of representatives of each village (each committee represents minimum 40 and maximum 700 households). Plans developed with the involvement of mahallas are realistic and sustainable."

M. Mirzoev, Representative of the MSDSP of the Aga Khan Foundation in the Sughd Province
Besides, RGP makes an attempt to link local economic development with the role of mahalla committees (as the form of communities self-organization and grass-root self-governance) building on the positive experience gained in other regions of the country in the framework of projects supported by the Aga Khan Foundation.

The achievements in the area of the mahalla committees' institutional and human capacity development that aims at increasing their participation in the process of identification and implementation of local priorities (primarily in the economic domain), demonstrate the importance of the mahalla institute in the governance chain.

For further development of this traditional and prospective institution (in terms of its role in the local development in Tajikistan), it is necessary to clearly define the place of the mahalla committees in the local self-governance system.

**Experience of the mahalla committees involvement into local development**

The institutional development of mahalla committees has been supported by MSDSP of the Aga Khan Foundation in 12 jamoats of six districts of the Sughd Province (Panjakent, Aini, Kuhistoni Mastchoh, Konibodom, Isfara and Asht).

The 120 committees were able to improve their capacities as community self-organization (i.e. to enhance their internal governance system, to elaborate their Charters and to register their status in line with the Law on citizens' self-initiatives). As a result, an internal election system was introduced by the committees, along with joint decision making on the issues of planning and addressing local level social and economic problems and improved documentation and records keeping system.

Interestingly, the government of the Isfara District, having acknowledged the role of the mahalla committees in the formation of public opinion locally, initiated on its own the replication of the mahalla committees model throughout the district.

An important result of communities' self-organization is the formation of mahalla and village development funds and the mobilization of voluntary migrants contributions (with the informational support of the International Organization for Migration) for the implementation of initiatives aimed at employment and income generation among local population.
LESSON 4
The quality of planning is determined by the quality of information inputs and the quality of the planning process organization

An accurate definition of development objectives and priorities to a large extent depends on the depth of the situation analysis and the precision of the problems identified. The experience shows that, in order to achieve those, two important preconditions are to be met:

- Access to full and reliable information that enables situation analysis and identification of trends in various sectors (and first of all statistical information);
- Organized involvement of private and public sectors representatives (existing business associations and farmers relevant for local business and enterprises development, non-governmental organizations and civic groups, councils and committees, district/jamoat public activists) in gathering information in the field, and in analyzing the received information and identified problems (mainly in defining their solutions).

Access to information

For improving the quality of information inputs for the planning process in the targeted districts and jamoats of the Sughd Province, RGP provided support to the State Agency of Statistics (SAS) under the President of the Republic of Tajikistan. In particular, the Agency was assisted in refining the monitoring indicators in line with the MEDT planning methodology and introducing the system of electronic statistics data management (with the software developed on the basis of the VisualFoxPro). Besides, based on needs assessments, the jamoats and districts received basic equipment, software and training.

“Statistics states reality. It is impossible to plan the future without real statistical data. The more statistics showing current dynamics is available, the more qualitative is the planning process. Nowadays, this is especially important at the local level.”

K. Norov, Deputy Director of the State Agency of Statistics
The experience indicates that the existing difficulties related to accessing comprehensive and reliable information needed for qualitative analysis of the social and economic situation on the ground are linked to several aspects that deserve attention:

- A need to modernize statistics collection system, including: further improvement of the indicators that are relevant for monitoring the situation on the ground (especially in the economic sector); automation of the system of data collection and transmission to exclude manipulations, errors and ambiguity in identifying progress in achieving statistical indicators; sharing statistical information between various levels of government (establishment of a unified network); transition to the use of more modern and reliable methods of data collection (in particular, the use of representative statistical surveys instead of data collection by each household, which is a time-consuming and often unreliable method, especially monitoring households, economic activities).

- There is an acute need to develop human resources at the local level (both statisticians and sector specialists) in the area of use, analysis and interpretation of statistical data. Currently, these capacities are particularly weak in the sectors related to local economy, which is partly due to the legacy of the centralized planning system and a lack of economic analytical thinking skills.

- There is a need to verify received statistical information through various channels, including consultations with the population and gathering of additional information on the ground.

"As the former American President Eisenhower said: "Plans are nothing. Planning is everything." The value of any planning process is already in its ability to bring together different local actors around a common vision and collectively defined objectives, to develop a sense of shared responsibility and ownership."

L. Krylova-Mueller, International governance advisor to UNDP CP, the interview to newspaper “Jumhuriyat” newspaper of 12/04/2011
Broad participation

Today, when the government faces a need to choose development paths it is especially important that the choice is made consciously, deliberately and with the public support. The concentrated funds input alone, to address development problems, is not sufficient. Increasing importance is assigned to the synergies between all society group, and to the cooperation between different development actors, including private sector and civil society.

To respect the principle of transparency and public participation of the development planning process, it is necessary to consult with various population groups (organized and non-organized, including women and the poor) and to ensure participation of private sector, civil society and territorial communities (town districts, mahallas and jamoats). The experience proves that respect of this principle yields in building confidence, the atmosphere of mutual understanding and long standing cooperation between government, private sector and civil society. It also enables better mobilization of locally available resources (human, intellectual, as well as material). In addition, it helps to develop a sense of shared responsibility and ensures further involvement of all parties in the process of plans implementation and monitoring.

Among the problems that challenged RGP’s support to participatory development planning in some jamoats and even districts (especially those remote and mountainous) was a complete lack or weak organization of structures representing public and private interests in these areas. This significantly complicated private sector and civil society structured involvement in the planning process. In such situations, it is necessary to rely on mahalla committees, local public activists and representatives of existing public institutions (like schools, health centers, clubs, businesses, big farmers and prospective entrepreneurs, women committees, etc.) by incliding them into the development planning Working Groups and sectoral sub-groups. The low level of society organization can be also compensated by intensive consultations with the population on basis of different interests, field trips and meetings in communities.

In large districts where civil society organizations are available, sometimes the issue of their representation abilities is raised as a concern (“Who is behind these organizations?” “How broad are the interests that they represent?”) As a rule, many civil society organizations working in the centers are playing the role of service providers (for donors and/or community), rather than the role of organizations representing member interests. These organizations can be valuable participants of the planning process, but public participation should not be limited or substituted by their involvement only.
Experience of organizing planning process in the Jamoat Gulakandoz of the Jabbor Rasulov District

In the process of development plans and programs elaboration in the Sughd Province, the Jamoat Gulakandoz, due to increased activism of its population and the initiative of its leadership, was chosen as a “pilot site” for testing the planning methodology.

By the Decree of the Jamoat Chairman, a Working Group was formed to lead the process. Along with the jamoat specialists, it included public activists and representatives of organized private sector. The Working Group performed an overall supervisory and coordinating role in the process of elaborating the medium-term jamoat development plan. The secretary of the Working Group (the secretary of the jamoat) was appointed for the plan compilation.

In addition, four Initiative Groups with wide public participation were established in the jamoat (with the economic, social, infrastructural and environmental focus). With the support of relevant jamoat and district specialists, the groups collected, verified and analyzed information on the situation in their respective sectors. Based on the analysis, they elaborated their proposals for sectoral development strategies, objectives, activities and indicators.

Verification of received statistical information with the public appeared to be extremely important, in order to diagnose problems correctly and to define strategies and objectives for overcoming them. For instance, the Initiative Group working on infrastructural issues, while mistrusting the statistics on average electricity debt of the jamoat population, launched its own internal enquiry among electricity supply service users. It discovered that it is not the households debt that were high, but rather outstanding arrears of large businesses for the electricity influenced the calculation of average debt as per electricity users.

In the process of information collection and analysis the Initiative Groups held their internal meetings. The Working Group also regularly gathered to coordinate the process. As the plan was developed, meetings and consultations were organized with different target groups on their specific problems (e.g. farmers or owners of public transportation vehicles).

According to jamoat leadership, the process of such broad participation enabled both the jamoat management and its staff to better understand existing problems on the ground and to set development priorities accurately.

During the public hearings where the draft jamoat development plan was presented and openly discussed in front of more than 100 participants representing the interests of different population groups, the Chairman of the local Farmers Association expressed his gratitude to the jamoat leadership for the work performed, by using the following metaphor: “The work on the plan has given us the opportunity, as if in a helicopter, to rise above our jamoat and to see all our problems like on a hand palm”.

LESSON 5
Success in the development plans implementation depends on resources availability and the quality of monitoring

Resourcing and implementation of the districts and jamoats development plans and programs are the key issues requiring special attention and further close monitoring.

Access to resources

Experience of elaborating the resources part of development programs and plans reveals that the main potential sources for funding local development comprise of:

- Budgetary funds, i.e. own resources of districts (mainly in case of districts with sufficient own revenues, or so-called “donor districts”), budgets of higher levels, and sectoral programs;
- Extra-budgetary funds (private investments, donations of the population and entrepreneurs, NGO projects, international donors and projects).

In the long run, local economic development that has been given prominence in RGP and in the MEDT planning methodology, should become the main source of local revenue. Yet, for this to materialize, local authorities will need to have the right incentives for increasing their revenue base. In the short run, the local authorities rely largely on the existing scarce budgetary funds and finances of donor organizations. It is well known, however, that in many countries of the region, where budgetary capacities of local authorities were also very weak, the medium-term development plans served as an instrument for attracting additional external resources, primarily funds of donor countries and international organizations (the donors were more inclined to invest their resources into areas where local authorities have plans based on sound situation analysis and developed with wide public participation).

“The more scarce the budgetary funds are, the more important it is to invest them strategically and on the basis of public consensus.”

K. Boboev, former Chairman of the Jamoat Gulakandoz
It is important to note that the support provided to the development planning process in the Sughd Province was not aimed only and primarily at assisting the targeted districts and jamoats in mobilizing external resources. Rather, its goal was to demonstrate how resources can be allocated and budgetary decisions made based on medium-term development priorities and with a focus on economic growth. The same is the purpose of the RGP Trust Fund that provides grants to the budgets of the targeted districts for the implementation of projects in the framework of their development programs, specifically those designed to stimulate local economic initiatives and to create an enabling business environment.

The interest to budgeting on the basis of medium-term development priorities grows in the context of the ongoing transition of districts to a budget format in which distinction is being made between an operational budget (running costs) and a development budget (capital investments), as much as in the context of the mid-term orientation of the public finance management reform in Tajikistan towards budgeting on the basis of performance targets.

The RGP experience shows that for a full utilization of the medium-term development planning benefits by local governments, the following issues need to be addressed at the national level:

- Elaborating the methodology of medium-term budgeting at the local level in coordination with the medium-term planning methodology;
- Improving predictability of local budgets (including through more effective budgets equalization and improvement of the discipline of financing sectoral programs approved by the Government since they are taken into account by the development programs and plans, but are not safeguarded from the risk of being underfunded);
- Providing clear guidance with regards to the introduction of jamoat budgets of their own revenues, which is foreseen under the Law #549 of the Republic of Tajikistan “On self-governments of townships and villages” (August 5, 2009).
Monitoring of development programs and plans implementation

RGP has achieved certain results in supporting its local partners in acquiring development planning skills. It is crucial to consolidate these skills through further monitoring of the process and results of development programs and plans implementation. In the process of implementation the local authorities and other development stakeholders will be able to realize the weaknesses and strengths of their programs and plans (particularly in regards to how they are resourced, how effectively the available resources are actually used for addressing development priorities, and what is their real effect on economic growth).

The RGP experience in the area of supporting elaboration of local development monitoring indicators, along with the experience in the area of designing economic development project for funding from the district Trust Fund, revealed a lack of local awareness of indicators, against which the contribution of the governments to local economic growth in general and to the enabling business environment in particular can be assessed. It is rather difficult “to grasp” such indicators through the system of statistics. Tracking them calls for a comparison of statistics with the results of other monitoring and assessment tools, including surveys conducted with the support of international organizations, such as the International Financial Corporation (IFC).

There is a high interest on the part of MEDT to the issue of defining and applying such indicators for monitoring local government’s performance in giving impetus to economic growth and creating an enabling business environment.

Yet, to ensure constructive application of these indicators to monitoring local governments' progress and making cross-comparison of the situation between different areas within the country, it is necessary to clearly define local governments' competencies (rights and responsibilities) and the role they should play in meeting the economic development indicators.

It will be important to consolidate and to integrate the results of work in this area into further process of development planning and monitoring that MEDT is meant to support methodically. Capacity building of appropriate MEDT specialists and departments will be a key task contributing to this end.
Experience of planning the mechanisms for monitoring and evaluation of the district development programs

Mechanisms for monitoring and evaluation of the medium-term development programs, as well as forms of public participation in planning may vary depending on different factors, including specifics of the organization of local government, the level of organization of local population, geographic conditions (e.g. population density), etc. Among the monitoring instruments that are most commonly referred to by the development programs are:

- Establishment of a monitoring and evaluation group responsible for tracking the development programs implementation progress and achievements, including the indicators of success and the contextual changes (or, alternatively, levying this responsibility on the development planning Working Group),
- Preparation of an annual review report on the results of development program implementation by this Group,
- Presentation and discussion of the monitoring results with the population at annual public hearings,
- Further improvement of the system of statistical data collection (database) in accordance with the monitoring requirements,
- Linking indicators of success of specific projects (already at the stage of their elaboration) with respective overall program indicators.

An important prerequisite to effective monitoring is the further provision of training and advice to relevant responsible specialists in local governments.

“In the course of planning the Ministry specialists confirmed for themselves that a system of tracking the situation on the basis of a set of effective indicators reflecting the status of local business environment is an important component of the system of governance of local economic development in general. Such indicators would not only enable local authorities to judge their successes but also provide the Ministry with an opportunity to compare and analyze performance of different districts and provinces within the country.”

D. M. Sattorov, Coordinator of the Project “Improving the Process of Managing the Implementation of NDS/PRS, Monitoring and Evaluation” under MEDT
LESSON 6
Further enhancement of the development planning and plans implementation practice requires investments into the system of continuous information and advisory support and training

In the framework of RGP, a special attention was paid to capacity building of local governments and their relevant specialists in the area of development planning and in understanding their role in the promotion of local economic development. Capacity development in this area is a challenging task, particularly due to the innovative nature of the proposed planning approach and intensive staff turnover at the local level. The RGP experience reconfirmed a need to invest into capacity building of relevant national level institutions and structures that can ensure continuity in the transfer and further development of the know-how in the area of development planning and local economic development.

One of these institutions is the Institute of Civil Servants Training (ICST) under the President of the Republic of Tajikistan. The mandate of the institute is to improve skills of civil servants (the training part), as well as study/research the most pressing governance issues and propose public sector related reforms and adjustments to the country leadership (the scientific and research part).

In order for the Institute to internalize governance related know-hows, it needs to establish effective and continuous linkages between the Institute, on the one hand, and the local government practitioners and respective national level specialists outside the Institute, on the other hand. The experience gained by RGP shows that this linkage is instrumental for adjusting the Institute's training curricula and modules to emerging innovation and practical needs of the governments. Further, more systemic work, including on establishing solid synergies between the training and the research components of the Institute is required in the area of public planning, budgeting and local economic development.

At the local level, as the RGP experience demonstrated, the specialists from non-public organizations (civil society and private sector) can play a role in the provision of training advisory services to local authorities in the field of planning and promotion of local economic development. In the future, it is important to pay attention to the development of the market for such service providers, as much as to the issues of quality control of their training and advisory support.
In the process of jamoat and district development planning in the Sughd Province, 14 specialists (representatives of NGOs and the private sector) were trained and deployed as consultants to the targeted jamoats and districts (the same approach was later replicated by the UNDP in the Khatlon Province).

Involvement of the local consultants allowed not only to ensure wide coverage of the districts and the jamoats by developing planning under RGP, but also served an effective mean of providing support to local partners in terms of information, advice, training of local Working Groups, facilitation of events and meetings organized as a part of the development planning process.

Moreover, the local consultants enabled a regular detailed feedback from the field to the program management and the Department of territorial development at MEDT. Together with the periodic coordination meetings, during which intensive experience sharing between the consultants took place, this feedback has greatly contributed to the finalization of the MEDT planning methodology.

Along with the local external consultants, relevant specialists of the Sughd province government received training on the local planning methodology. They carried out monitoring field visits and, thus, supported the MEDT specialists in ensuring quality control of the planning process and monitoring of the external consultants' performance.

The local consultants that were trained and gained field experience under RGP have received MEDT certification. In the future, local authorities may further draw upon their assistance in development planning.
CONCLUSION

The experience of RGP confirms the importance of the mid-term development planning for local economic development in Tajikistan. Yet, this practice is still very young and its effective application requires further close monitoring and support.

There are a number of favourable aspects that support the application of the mid-term planning for economic development at the local level. Yet, there is also an array of restraining factors that require attention of the national level decision-makers.

The supporting aspects include:

- General commitment of the national authorities to the localisation of the MDGs and NDS goals, including the system of monitoring and information management;
- Introduction of planning obligations in the current Laws related to state governments at the local level (Rayons) and local self-governments (Jamoats);
- Emerging demand among local governments for integrated development planning at the local level;
- Availability of the Methodology of the mid-term development planning for Rayon and Jamoat levels elaborated by the MEDT;
- Existing experience of the application of the new Methodology in practice in the Sughd oblast that is well documented with the lessons drawn from this process;
- Introduction of the mid-term planning and local economic development approaches into the system of civil servants training (by the Institute of Civil Service Training).

The following restraining factors will need to be addressed:

- A lack of coherent strategy on local governance reform in the country, including further development of the Jamoats as the local self-governance units and the mahalla committees as the lowest form of community self-organisation and self-management;
- A need to synchronise approaches to both planning and budgeting at the local level, with main orientation towards results-based approach;
- The deficit of alignment between different level of plans (from national one to those devices by local self-governments);
- Rising demand for redistribution of competencies between different levels of government, in order to empower and to increase capacities of the lower levels that are the closest to the citizens. In the context of increasing pressure to deliver on the economic growth, the demand is especially high for revisiting competencies in the economic domain, in particular agriculture (taking into consideration the agricultural orientation of local economies in Tajikistan). Competencies redistribution would need to be linked to defining clear expectations with regards of local governance performance in stimulating local economic growth that, subsequently, could translate into the indicators allowing to monitor and compare enabling business environment across the territories within the country;
- A need to expand the experience of improving statistical data management at the local level beyond pilot locations;
- Still weak organisational capacities of private sector and civil society at the local level that impede their more effective engagement with the government structures;
- Insufficient experiences with the implementation and monitoring of the mid-term development plans at the local level and lessons learned from this process;
- A need to further develop the market of advisory and consultancy service providers to local governments in both local economic development and mid-term planning and plans implementation.

Current international community's high interest to the development of local governance system in the context of enhancing the economic growth in Tajikistan, calls for a coordinated and coherent response that would build on the existing supportive factors and address the existing weaknesses.
LIST OF ABBREVIATIONS

AKF  Aga Khan Foundation
CP   Communities Programme
DFID Department for International Development of the United Kingdom
GIZ  German Society for International Cooperation
IFC  International Financial Corporation
IOM  International Organization for Migration
MEDT Ministry of Economic Development and Trade
MoF  Ministry of Finance
MSDSP Mountain Societies Development Support Programme
NDS  National Development Strategy
NGO  Non-governmental organization
PRS  Poverty Reduction Strategy
RGP  Rural Growth Programme
SAS  State Agency of Statistics
UNDP United Nations Development Programme
UNEP/PEI United Nations Environmental Programme / Poverty and Environment Initiative
The implementing agencies of the Rural Growth Programme express their gratitude to all partners involved in Program implementation. Their enthusiasm, support and commitment to the innovations enabled gaining the experience analyzed and presented in this brochure.

Information on the Programme and the component “governance for economic development” is available at:

UNDP/Communities Development Programme
Through Yusuf Kurbonkhojaev,
Senior Officer for Local Administration
E-mail: yusuf.kurbonkhojaev@undp.org