

Monitoring and Evaluating Support to Decentralisation: Challenges and Dilemmas

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Foreword

The framework for European development cooperation is quickly evolving. In the context of democratisation, liberalisation and state reform, many African governments have launched a new generation of decentralisation programmes.

This new wave of democratic decentralisation will have a direct impact on external assistance that aims to promote development and poverty reduction at the local level. European donors and their partners need to develop new instruments and modes of assistance that can facilitate institutional change and pursue these objectives in a context of transition.

This discussion paper by Markus Steinich, who coordinates the section "State Reform and Civil Society" at the German Agency for Technical Cooperation (GTZ), aims to contribute to the dialogue on new modes of ACP-EU development cooperation. The paper was prepared for an informal expert seminar on European support to decentralisation and municipal development, organised by ECDPM and the Swedish Ministry of Foreign Affairs on 14-15 June, 2000. The seminar was an opportunity for a structured exchange of experiences on new instruments and modalities of support to decentralisation and municipal development and in particular their relevance for poverty reduction and local development.

The author focuses on one particular operational challenge – finding appropriate frameworks or mechanisms for monitoring and evaluating the impacts of support to decentralisation. As the debate in the seminar showed, European donors and their partners in the ACP are keen to get a better understanding of the effects and impacts of decentralisation processes in general and external support in particular.

Referring to the "rather normative" international discussion on the pros and cons of decentralisation and his own experience with technical assistance projects, the author pleads for a more systematic and empirically founded analysis of the potential impacts of decentralisation processes including external support. The author highlights that the search for such impact monitoring and evaluation systems requires a joint effort by both donors and their partners and puts forward some elements that could orient a dialogue on a methodology, principles and technical modalities.

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Summary

The discourse on the advantages of decentralisation is usually a rather normative one: The pro-decentralisation faction tries to prove the empirical evidence of its arguments by putting forward illustrative anecdotes. The other faction cannot be labelled as being against decentralisation. But its representatives have second thoughts that they try to demonstrate with the help of more anecdotal illustrations.

While both sides have valuable arguments, what is missing is a systematic understanding of the empirical reality of decentralisation. What is needed is an Impact Monitoring and Evaluation System (IMES) for (the support of) decentralisation policies.

But Monitoring and Evaluation practice in Technical Assistance (TA) support for decentralisation seems to be confined to project activities undertaken or project results to be achieved (in a logical framework context). When it comes to impact monitoring and evaluation, there are few useful findings on TA reality in the support of decentralisation policies.

Impact Monitoring and Evaluation in decentralisation is not a donor exercise. It is to be pursued to improve decision-making – to provide decision-makers with better information and to enhance the accountability of public policies and programmes in partner countries. It does not aim to resolve nor to replace judgements in making decisions, but it can ensure a degree of feedback about the results of programmes that can be used to improve their design and implementation.

The design of an IMES on decentralisation policies is of course a difficult undertaking. There are methodological problems inherent in measuring the impact of decentralisation in particular and there are the typical difficulties encountered when evaluating political programmes.

Notwithstanding these difficulties, at least two debates might be useful to consider in the design of an IMES for decentralisation policies. First, the evaluation of public management reforms as applied in the OECD countries, and second, the current debate in the OECD/DAC on governance indicators.

It is not the objective of this paper to produce a ready-for-use IMES. The aim is rather to put together some methodological and technical cornerstones for further elaboration.

Decentralisation – A purely normative issue

The discourse on the advantages of decentralisation is usually a rather normative one. A decentralised structure is above all supposed to improve public service delivery, to foster democratisation and to strengthen national integration:

Decentralised units are to increase the *efficiency and effectiveness of public service offers* (be it in social infrastructure, resource management, economic promotion etc.); they are meant to be:

- more *relevant* to local needs (being closer to the people offers the possibility to express needs, increase the responsiveness of personnel, increase the people's motivation to participate in the implementation of services);
- more *flexible* (being closer to problems, more autonomous in reaction, gaining feed-back due to participation mechanisms);
- more *innovative* (due to more limited extent of consequences of 'wrong' decisions, multiplication of learning centres, competition between local communities);
- *cheaper* (due to the identity of payers and clients, thus preventing locally elected taxes to be diverted to higher levels).

Moreover decentralised administrative structures can help mobilise the comparative advantages of local enterprises and the local non-profit sector by a targeted support of local self-help-initiatives and enterprises as well as via public-private-partnerships, deregulation, de-bureaucratisation or privatisation. A decentralised structure can achieve, with the help of a national lobbying body (e.g. local government associations), a more equal distribution of national resources, thus avoiding the detrimental urban bias of the past and the consequent migration waves.

Ideally, decision-making processes in decentralised bodies *integrate people's needs and interests* via:

- periodic elections of councillors, mayor and chief administrators (personal decisions);
- direct participation in specific sectoral fields (e.g. school commission, hearings, plebiscites, consultative members);
- the locally elected council as people's representation on the local level;
- a local government association representing communal affairs on the national level;
- the geographic proximity of the local decision bodies;
- the inclusion of third-sector organisations and local enterprises giving them the freedom to act and to articulate their views and needs.

Local government can therefore be seen as the training ground for a participatory/democratic culture that grants a certain autonomy and political integration to minorities. A decentralised administrative structure disperses political power in a vertical way, enriching the horizontal separation of powers between legislation, executive and judiciary with a vertical one. The different levels can be bound together through common decision or planning bodies or the common execution of tasks. *National diversity can thus be realised in national unity.*

These are the advantages usually cited by the pro-decentralisation faction which tries to prove the empirical evidence of those arguments by putting forward nothing more than illustrative anecdotes.

The other discourse faction cannot be labelled as being contra decentralisation. But its representatives have second thoughts which they also try to demonstrate with the help of merely anecdotal illustrations. The sceptical arguments include:

- Local politics is still politics and is not inevitably a paradise of representation and participation. "Politics in decentralised units of government may be more closed than national politics and more susceptible to domination by a small and unrepresentative faction; local politicians may be responsive to the local needs of their defined constituency rather than to the broader community; accountability may be attenuated if local elections are not viewed as important and produce low turn-outs if local elections are contested on non-local issues or are seen essentially as referendums on the performance of the national Government" (Wolman 1990: p. 33);
- Due to their socialisation, poor people may refrain from pushing through their interests. "The rather conservative political attitudes of the urban poor ... are shaped by a deeply-rooted faith in authority, by low educational standards, a lack of organisational experiences, a tough struggle for survival, a competition for the same scarce resources, ethnic conflicts and the belief of having found a better livelihood in the city despite all the problems they face there. Political participation of the urban poor proves to be a one time action that is soon followed by a rather apathetic political behaviour" (Rüland 1982: p. 29-30).
- "The idea of decentralisation is attractive; ... However it can also be a less than overt step on the way to increased privatisation, deregulation and a rolling-back of many of the economic and particularly social functions of the state... The term 'decentralisation' can be articulated into a monetarist discourse, but alternatively it can be linked into a discourse that combines ideas of collective empowerment, democracy and socialism" (Slater 1989: p. 516; 520- 523).

- “Where resources are especially constrained, the risk of failing altogether to fulfil some particular function may easily neutralise the potential gains from fulfilling it more efficiently and effectively with a new approach ... The arguments also rest on the assumption that local cadre ... will be independent enough and motivated enough to take responsibility for risky undertakings ... It could also be argued that small, relatively weak organizations ... will more likely be swamped by the need to respond to unexpected problems ... It may also be that, even if decentralised units are better able to generate innovations, the institutionalization, diffusion and adaptation of successful innovations requires the resources and capabilities of the centre” (Cohen et al. 1981: p. 46-48).

Decentralisation - Examples of Pros and Cons

PROs	CONs
Better service delivery: <ul style="list-style-type: none"> • more adequate to local needs • more flexible • more innovative • cheaper • mobilising the comparative advantages of local enterprises and the local non-profit sector 	Dangers for service delivery: <ul style="list-style-type: none"> • decentralisation of corruption • untamed spending • rolling-back of many of the economic and particularly social functions of the state • local cadre will not be independent enough and motivated enough to take responsibility for risky undertakings
Local democratisation: <ul style="list-style-type: none"> • integrating people's needs and interests • giving third-sector organisations and local enterprises the freedom to act and to articulate their views and needs • training ground for a participatory/democratic culture, negotiation capacity and conflict settlement • granting a certain autonomy and political integration to minorities 	Local politics is still politics: <ul style="list-style-type: none"> • reproduction/re-labelling of local elites • poor people may refrain from promoting their interests • local politicians may be responsive to the local needs of their defined constituency • accountability may be attenuated if local elections are not viewed as important and produce low turn-outs
National integration: <ul style="list-style-type: none"> • can reach a more equal distribution of national resources • dispersion of political power in a vertical way • common decision or planning bodies or the common execution of tasks • national diversity can thus be realised in national unity 	Moves for separation: <ul style="list-style-type: none"> • institutionalising factions along ethnical lines • reproducing discriminatory policies of the ruling party

The table above shows that both sides have valuable arguments. What therefore has to be overcome is thinking in automatism. Decentralisation will not automatically lead to, for example, local democracy. All will depend on how a decentralisation policy in a given country is designed and implemented. To get a systematic understanding of the empirical reality of decentralisation we need an Impact Monitoring and Evaluation System (IMES).

Technical Assistance Practice

Monitoring and Evaluation practice in TA-support to decentralisation seems to be confined to project activities undertaken or project results to be achieved (in a logical framework context). When it comes to impact monitoring and evaluation, the findings on TA reality are more than meagre. To provide some examples:

In 1997, the DAC Expert Group on Evaluation published its synthesis report on the ‘Evaluation of Programs Promoting Participatory Development and Good Governance.’ The desk research on the

effects of decentralisation on governance in several countries concludes that “it is difficult to measure the impact of decentralisation on governance” (OECD/DAC 1997: p.72).

In 1998, the German Federal Ministry for Economic Cooperation and Development (BMZ) undertook an evaluation of 20 decentralisation projects in 13 countries which are executed either by GTZ or Germany's Political Foundations. Commenting on methodological issues, the summary report states: “When it comes to methodological aspects of the evaluated TA-projects, various hints for improvement are to be given. The analysis of the framework conditions, the strategical and operative planning as well as monitoring and evaluation mechanisms frequently show deficits (...) Impact monitoring was not applied in any case” (BMZ 1998).

In the context of a UNDP/BMZ evaluation, field visits were done from September 1999 to January 2000 in five countries that exhibited active policy commitment and varying stages of UNDP involvement in decentralisation and local governance programmes. “In the documents reviewed, the team generally found that the positive effects of decentralized governance were assumed to be self-evident and not in need of further explanation (...) UNDP may need to document its impact to prove that it brings its comparative advantages to bear and plays an important role in the development area to capture results achieved” (UNDP/BMZ 2000: p.39).

Functions of an Impact Monitoring and Evaluation System (IMES)

The importance and necessity of an IMES are self-explaining: Its findings would allow us to hold an empirically grounded discourse about the pros and cons of decentralisation. Other (partly overlapping and rather classical) grounds of justification are (cf. GTZ 2000):

- *Transparency*: GTZ's main client (from the financing point of view), the Federal Ministry for Economic Cooperation and Development (BMZ) needs reliable information to legitimise federal spending on development cooperation. An IMES is thus an obligation towards the German taxpayer;
- *Proof of Performance*: An IMES is to help legitimate projects and their personnel; it is to demonstrate project success to clients, competitors and funding agencies;
- *Learning*: An IMES is to serve as an institutional learning tool for partner organisations and TA agencies, thus allowing permanent adjustment and improvement of their services;
- *Gangway function*: From a project perspective an IMES establishes feedback mechanisms between the project team and its target groups. It demonstrates positive impacts, thus generating inspiration, motivation and best practices for further work; it creates a solid, experience-oriented basis for core decisions on objectives and approaches, and it facilitates early recognition and assessment of potentially negative (secondary) impacts, thus creating an opportunity to introduce supporting measures, if necessary.

Two more aspects can be added which would enlarge the rather limited understanding of monitoring and evaluation in the development cooperation context:

- *Policy advice for partner governments*: Impact monitoring and evaluation is pursued to improve decision-making – to provide decision-makers with better information and to enhance the accountability of public policies and programmes. It does not aim to resolve or replace judgements in making decisions, but it can ensure a degree of feedback about results of programmes that can be used to improve their design and implementation. (External) policy advice would thereby gain one more base of reference. Technical expertise and facilitation of knowledge access would be complemented by an impact feedback on political decisions. A policy advisor could now base his

or her recommendations on insights about policy impacts. An IMES would thus produce knowledge for action.

- *Coordination*: The findings of an IMES would provide donors and partners with a reference and benchmarking framework to identify best practices among different approaches. A common ground for mutual learning and thus coordination would be laid.

Problems/Dilemmas of an IMES

The design of an IMES for decentralisation policies is certainly a difficult undertaking. There are methodological problems which are inherent in measuring the impact of decentralisation. There are also difficulties that are typical for the evaluation of a political programme like decentralisation.

First and foremost we have to struggle with *causality matters*. When changing the administrative structure, it is not possible to keep other (political, social, economic) variables constant; the *ceteris-paribus* assumption will not be valid. Rondinelli et al (1983) stated that “although few in-depth and systematic evaluations have been made of the costs and benefit of recent efforts at decentralization, those assessments indicate that some of the standards of success have been met in some countries but not in others. Indeed, similar approaches to decentralization have produced opposite effects in different countries. In many Third World nations the stated objectives of decentralization have been achieved in some regions, provinces, or communities, but not in others. Some goals have been realised during initial stages of decentralization but not later” (p.35). Moreover it is debated whether *thresholds* can be defined which indicate more than gradual movements towards centralisation or decentralisation (Smith 1985: p.84). Conyers (1984) points to other more *technical problems*: “difficulties in identifying clearly the various objectives of the decentralization programme, difficulties in identifying criteria which will measure progress in achieving these objectives” (p.19).

Due to the political character of decentralisation, other difficulties of evaluation arise, especially questions concerning the evaluation’s effect on political decision-making: “Because evaluation is practised in a political context, the problem of ascertaining use will never be fully resolved. Evaluation is only one source of information and *has to compete with other factors* influencing decision-making. ... Evaluation may have the greatest impact on *policy measures of low political priority* or when there is a broad agreement on the general direction of policy. Moreover, politicians emphasise good intentions when deciding to make public interventions, but they may *not always be interested in studying their effects*. Behind the reluctance to commission evaluations and discuss their findings may also lie a *fear of shortcomings being exposed*. Politicians *may not always want to formulate policy goals precisely*, which makes evaluation difficult ... Sometimes no options for action are available or there is *no political will to make changes*. And sometimes *the decision has already been made on other grounds*. Evaluation can be misused. It may be *conducted only to legitimise political decisions already made*. Inconvenient or politically sensitive findings are sometimes suppressed or the results are used only selectively. Although the involvement of users is an important part of evaluation there is always a *danger of evaluation being captured by the client*” (OECD/PUMA 1999: p. 23-24, 39).

Inspiration from neighbouring fields

Notwithstanding these difficulties, at least two ongoing debates might be useful to consider in the design of an IMES for decentralisation policies:

- the programme evaluation¹ of public management reforms as applied in the OECD countries;
- the current debate in the OECD/DAC context on governance indicators.

Public Management Reforms in OECD Countries

Evaluation practice in OECD countries has developed in several phases. “The first wave of evaluation in the 1960s and 1970s was largely linked to social-liberal governments launching public programmes to solve social problems. Planning and programming processes were introduced to improve policy-making. Favourable fiscal conditions and the increased status and supply of social science knowledge contributed to this effort. The focus was on improving programmes, and programme managers were interested in using evaluation as a feedback mechanism. The second wave in the 1980s - although less striking and rapid - was stimulated by predominantly conservative governments attempting to curb public programmes given fiscal constraints. Evaluation was thought to be useful in reconsidering the justification of policies and rationalising resource allocation within the budget. Ministries of Finance and Audit Office were active in developing evaluation” (OECD/PUMA 1999: p.16).

Today, a focus on results is a central element in recent public sector reforms in OECD countries. Evaluation is important in a results-oriented environment because it provides feedback on the efficiency, effectiveness and performance of public policies and can be critical to policy improvement and innovation.

Changing perceptions of management concepts are also having an effect. Decentralised result-oriented management, the passing on of costs and government at arm's length are very much the order of the day. Consequently, the need for performance-based information, partly in relation to costs, is rising.

The OECD Public Management Service concludes that “there are signs that interest in evaluation as a management tool is increasing. Compared with previous evaluation efforts there are now more realistic expectations, more widespread acceptance of less rigorous methodologies and greater understanding about utilisation in organisations. ... Evaluation can fulfil an important role when properly used and integrated with the overall performance management framework. It can improve the efficiency and effectiveness of the public sector and hence strengthen the basis for public sector activities... By setting realistic expectations, confronting the problems of evaluation and using it in a pragmatic but purposeful way, governments can enhance their performance and accountability” (OECD/PUMA 1999: 9).

The OECD/DAC Debate on Governance Indicators

The DAC Ad Hoc Working Group on Participatory Development and Good Governance (PD/GG) failed to forge a consensus around a common framework for assessing performance in PD/GG during its three-year mandate, which ended in 1996. Since then the demand to measure progress in good governance has increased from both developing countries' civil society groups, concerned about the pace and impact of democratisation processes on the well-being of their citizens, and aid agencies under pressure from their own constituencies to show results for money spent. Measuring good

¹ “Programme evaluations are systematic, analytical assessments, addressing important aspects of a programme and its value, and seeking reliability and usability of findings” (OECD/PUMA 1999: p. 13)

governance has thus become a legitimate concern across regions and cultures, and assessment methodologies are proliferating (OECD/DAC 1999a: p. 4). The DAC is currently working on this issue and since decentralisation is a feature of PD/GG, useful information can be found in the existing working documents.

Some cornerstones for an IMES

It is not the objective of this paper to produce a ready-for-use IMES. The intention is to put together some cornerstones for further elaboration on the basis of these two ongoing debates. These cornerstones consist of methodological principals, technical hints, monitoring and evaluation dimensions, and the role of TA in this field.

Methodological principles

The following considerations could represent basic methodological elements:

- *Reconsidering causality*: Causality might have a “functional network character“ and not a linear one. Cause and effect might be connected by feedback loops, therefore change has to come from the system. External support is confined to giving impulses and facilitation. For this reason it might be questionable whether it will be possible at all to distinguish between the impact of external support and the national policy’s impact.
- Necessary construction *steps* could thus be:
 - identifying feedback loops and understanding mutually reinforcing inter-linkages;
 - assessing the underlying dynamism of these networks;
 - defining impact hypothesises;
 - developing indicators;
 - formulating standards (according to implicit or explicit political choices, comparisons between cases or comparisons over time);
 - determining possibilities of intervention.
- *Mix of procedural and static indicators*: Indicators should measure processes (e.g. the way cooperation between actors works) and results (e.g. the financial situation of the municipal level).
- *Plurality of methods for data collection*: There are different mechanisms possible and necessary to generate valid information and to produce knowledge for action:
 - *Records and document analysis* are used in order to describe prevailing political and institutional arrangements, for example the frequency of elections, organisational structure, or size and cost of government;
 - *Interviews and questionnaires* can be used to get information from reference persons;
 - *Participant surveys* of interested parties reflect the views of citizens, entrepreneurs, foreign investors, public officials and others;
 - Another possibility is *rapid field assessments* by consultants familiar with a region who undertake a rapid qualitative investigation based on interviews with local government officials, national government agency personnel, and respondents from the private sector and NGOs. The regional reports are first discussed internally and then presented to a seminar for discussion by over 100 participants from all strata, including – apart from project staff and representatives of local and national governments – parliament, donors, NGO, academe, business, cooperatives, etc. (USAID in UNDP/BMZ 2000: p.40);

- *Cross- country assessments* are based on polls of experts who are asked to rate the quality and effectiveness of government institutions;
- *Consultation* via Round Tables or national conferences.

Technical Hints

Understanding IMES as a programme evaluation exercise, as a form of policy advice for partner countries, some useful hints taken from the OECD debate can be drawn (OECD/PUMA 1998):

The main *objective of evaluation* is to improve decision-making, resource allocation and accountability. This can be achieved through informing the public, informing key decision-making processes and encouraging ongoing organisational learning.

Relevant evaluations address issues that are significant for political, budgetary, management and other strategic reasons.

Evaluations must be *part of a wider performance management* framework. They can supplement and improve it, but not replace it.

Epistemological and pragmatic considerations have to be reconciled in evaluation. It is essential that there be a *match between sound evaluation capacity and a willingness to utilise the findings*. Only then is programme evaluation able to have an impact on decision-making. These prerequisites are interdependent so that improving one will further the other. This requires political will and systematic work.

Successful evaluations are based on *collaboration between key participants* (evaluators, users and stakeholders).

Support for evaluations is demonstrated through willingness of politicians, policy managers and central management agencies (e.g., Ministry of Finance), to make effective use of policy advice generated in evaluations.

Demand for evaluation needs to be generated, specified and articulated by internal and external stakeholders. Evaluations without ‘ownership’ by stakeholders are unlikely to have an effect.

Central government agencies play an important role in managing the evaluation process; however, the *actual evaluations can be decentralised* to different actors at all levels of government.

Self evaluation by an organisation is appropriate when the main objectives are organisational learning and improved implementation. However, the time and skills of staff may be insufficient, the range of issues covered may be limited and the credibility of findings may also be questioned.

Evaluation by *central management agencies* is appropriate when the objective is improving budget priorities and when it is important that the evaluator has close links with decision-making processes.

Evaluation by *external evaluators* (e.g., research bodies and management consultants) is appropriate when the objective is to provide new perspectives on public policies or when there is a need for specialised evaluation skills. However, these evaluators may have limited understanding of the substance and the culture of the evaluated policy or organisation and offer theoretical evaluations.

Independent evaluation is appropriate when the objectives are to improve accountability and transparency. However, policy managers, or the administration in general, may be reluctant to accept the findings and recommendations. Performance audits are often similar to evaluations. Their key features include independence of the auditor and a focus on accountability rather than improvement.

Stakeholders, including staff, can be appointed to evaluation commissions or involved through steering or advisory groups. Participatory evaluation methods can be used to create consensus and ownership for a change process. Dialogue with users and staff improves understanding and responsiveness to their needs and priorities.

Presenting evaluation findings openly increases credibility and creates pressure to act upon findings. Public availability of reports and meetings are useful to present and stimulate dialogue on findings. Judgements and recommendations based on clear criteria attract attention and promote subsequent action. Judgements should focus on overcoming problems rather than on assigning blame.

Dimensions of measurement

Only few publications deal with the way of how to measure the impact of decentralisation. And even then this is usually not done systematically nor explicitly. Useful and enriching criteria pools might be the following:

Issue driven Criteria (GTZ 1999):	Global Indicators (OECD 1999 a, b):
<p><u>Local governance:</u></p> <ul style="list-style-type: none"> • Accountability (political decentralisation) • Transparency and access to information • People's participation (by local citizens) • Empowerment of the civil society <p><u>Local government:</u></p> <ul style="list-style-type: none"> • Roles and functions of each level of government (functional responsibility; other intergovernmental arrangement for sharing power and responsibility) • Financing regional/local government • Planning and budgeting procedures • Organising regional/local government and measuring its performance • Higher level control and supervision/capacity of local governments • Effective judicial system of conflict prevention and resolution 	<ul style="list-style-type: none"> • Acceptance of principle of power sharing in constitution and law • Geographic coverage of devolution • Percentage of government revenue generated by local government • Percentage of government expenditure by local government • Percentage of local government generated revenue retained locally • Adequacy of financial and human resources for local self-governing institutions • Clear definition of tasks and responsibilities of central and local government • Effective and independent recourse of adjudication to conflict • Appointment of local administration responsible to locally elected institutions • Service delivery by local government <ul style="list-style-type: none"> - effective - equitable - responsive - accountable

Considering these data pools, different impact levels or measurement dimensions and corresponding (latent) variable groups can be distinguished (as summarised in the table below):

- *Framework-setting* criteria cover the legal framework-setting, the geographic coverage of the decentralisation policy, preparation and management of the first sub-national elections, design and implementation of support facilities (such as training institutions, technical support agencies, fiscal equalisation mechanisms), information policy towards the public.
- The *quality of framework setting* can be described by the extent of inter-ministerial coherence, cooperation between the framework-setting actors and completeness of the framework.
- The *framework-setting-output* determines the formal shape of the local government level. This can

be indicated by the available financial and human resources, the transferred tasks and responsibilities, the institutional setting (polity) and the formal relations between the different governmental levels.

- The *quality of local governing (local governance)* can be depicted by accountability, transparency, degree of participation, people’s empowerment, non-existence of corruption, the rule of law and satisfaction of the local government’s staff.
- The *output of local government (local government performance)* refers to the financial performance and the quality of service delivery and infrastructure management, the effectivity of conflict regulation and the success in the incentive management for economic activities.
- Economic growth, poverty alleviation, (gender) equity, environmental sustainability and local (peace) are all dimensions of the *outcome of decentralisation (local development)*.

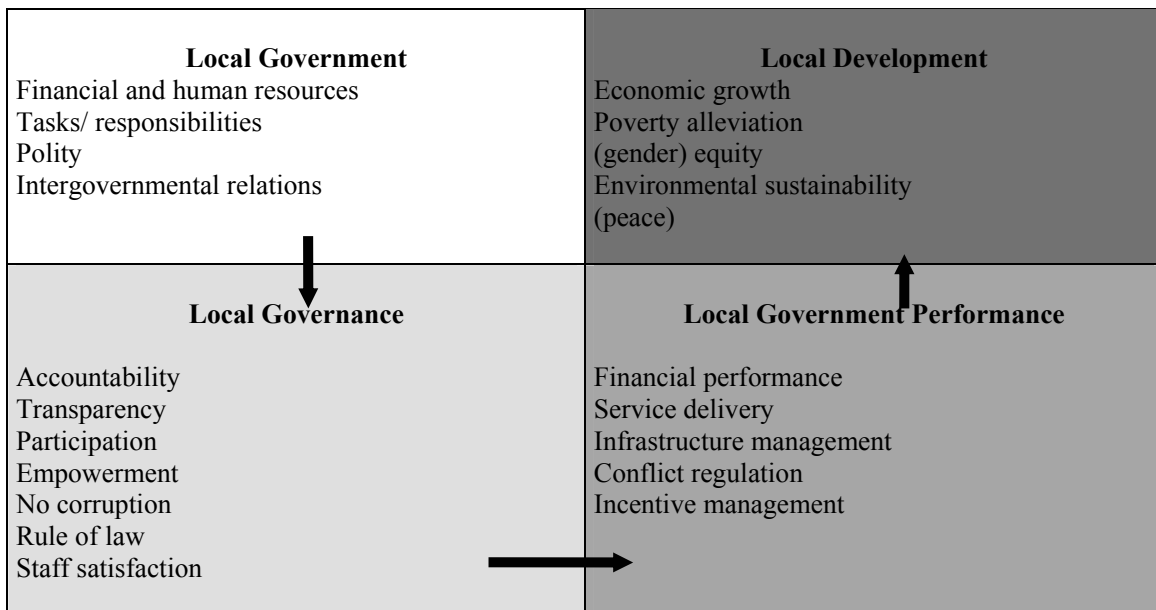
These latent variables still have to be translated into manifest variables, i.e. indicators. This exercise should be done in cooperation with decision-makers and administrative staff of local and national level. The indicators might be formulated in a way to evaluate both the external support to and the quality of the national decentralisation policy. Local government, governance and government performance can refer to regional or communal bodies.

Framework-Setting

- Legal framework
- Geographic coverage
- Election management
- Support facilities
- Information policy

Quality of Framework-Setting

- Coherence
- Cooperation
- Completeness



Role of TA in designing an IMES and putting it into practice

Technical assistance can take over the following roles:

- *Institutional barriers to evaluation* such as internal resistance can be reduced through consultation that aims to create mutual trust.
- *Training and professional dialogue* will lead to competent evaluators, well-informed commissioners and enlightened and enthusiastic users all of whom contribute to an evaluation culture.
- Development of evaluation skills in different organisations ensures the necessary *range of evaluation methods and perspectives* (e.g. drawing from both internal and external evaluators), and that each evaluation is designed in accordance with its unique set of issues related to objectives, focus, credibility and intended use.
- *Special funds* to finance evaluations can serve as an important incentive for evaluating public policies and thus generate demand.
- Using an IMES for the *comparison of different (donor or country) approaches* may help to identify good and best practices and thus assure mutual learning.

The findings of the IMES will finally feed back into the external policy advice and the design of external support projects and programmes.

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