

Area-based development programmes: mechanisms, best practices and lessons learnt

On the occasion of the successful completion of several UNDP projects funded by the Russian Federation, UNDP Kyrgyzstan and UNDP Regional Hub for Europe and CIS convened the regional round table on area-based development programmes in Bishkek, Kyrgyzstan, on 16 - 17 March 2017. The round table took place back to back with the forum “Area-based development programmes and capacity development projects as a vehicle to achieve SDGs in Kyrgyzstan” with participation of high rank Kyrgyz officials, the Russian ambassador, regional government representatives, international organizations and civil society.

The summary report outlines the main outcomes of the round table, including identified best practices and lessons learnt.

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BACKGROUND

By adopting the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) the international community have agreed on ambitious commitments covering virtually all development sectors and topics. The inclusive and multidimensional nature of the 17 goals calls for an integrated, comprehensive, coherent and effective frameworks to implement the SDGs.

The area-based development can be an essential vehicle to support the achievement of the SDGs in UNDP programme countries. The area-based approach allows local communities to define a development policy based on the area's particular circumstances, assets, needs and opportunities. Defined in opposition to the sectoral approach, area-based programmes involve diverse components jointly identified with the community and reflecting the area's particular environmental, economic, social, cultural and other features. The area-based approach advocates a new type of relationship with the beneficiary community by encouraging partnership and active engagement in the decision making.

Components of the area-based programmes vary reflecting particular needs of the specific territories, but in general, they include the following directions:

- Agriculture;
- Access to water;
- Infrastructure;
- Employment generation;
- Vocational training;
- Trade;
- Access to finance.



Poverty alleviation, SGD 1, is the overarching goal of the area-based programmes and they support a number of related SDGs by creating jobs, providing quality education, investing in infrastructure and so on.

UNDP has developed and implemented a methodology on integrated area-based development adaptable to specific regional context. For example, in Kyrgyzstan this approach was pioneered in Batken Province and then was applied to the Naryn Integrated Area-based Development Programme, financed by the Government of the Russian Federation. It has demonstrated a success in reducing poverty in Naryn province and strengthening access of vulnerable groups to basic services and livelihoods. Since 2014, UNDP Tajikistan is implementing the project funded by the Russian Federation aimed at Livelihood improvement of rural population project living in nine districts.

Russian support for the UNDP area-based programmes has expanded and covers a variety of projects in Kyrgyzstan, Tajikistan and Armenia. Total funding to date is over \$20 million.

Project name, country	Status	Funding
Comprehensive development of the Naryn Region in Kyrgyzstan	2014-2016 Completed	\$3,5 million
Livelihood Improvement of Rural Population in Nine Districts of Tajikistan (LIRP project)	2014-2017 Ongoing	\$6,7 million
Socio-economic development of communities around radioactive sites in Kyrgyzstan	2015-2016 Completed	\$1,48 million
Integrated support to rural development: building resilient communities in Tavush region, Armenia	2015-2020 Ongoing	\$5 million
Integrated Osh Area-based Development, Kyrgyzstan	2016-2019 Ongoing	\$3,5 million by Russia-UNDP Trust Fund for Development (TFD)
Promotion of social and economic opportunities for women and youth in Zerafshan Valley of Tajikistan	2017-2019 TFD funding decision expected in 2017	\$1,5 million (TFD)

OBJECTIVES

The overall **objective** of the round table was to take stock of the development results supported by the Russia-funded UNDP area-based development programmes and to discuss the recommendations aimed at improving the current practice. The tasks to achieve the objective were the following:

- Share experience of completed and ongoing area-based development programmes;
- Discuss existing practices, best solutions and challenges of economic development in target communities;
- Identify existing gaps, potential for introducing innovations in area-based development programmes;
- Consolidate evidence and information useful for further elaboration of the Zerafshan project in Tajikistan;
- Provide a networking space for UNDP project teams implementing area-based programmes to support further communication and experience sharing;
- Inform participants on relevant Russia-UNDP Trust Fund for Development (TFD) policies, including TFD communication and visibility strategy, reporting guidelines, etc.

PARTICIPANTS

Over 30 participants attended the round table representing:

- **The Ministry of Finance, the Ministry of Economic Development, and the Ministry of Foreign Affairs of the Russian Federation**, including Dmitry Maximychev, Deputy Director of the Department of International Organizations;
- **UNDP Country Office (CO) in Kyrgyzstan**, including Alexander Avanesov, UNDP Resident Representative in Kyrgyzstan, Aliona Niculita, UNDP Deputy Resident Representative, management and programme staff, project teams from Naryn, Osh and Batken offices, communications specialists, etc.;
- **UNDP CO in Tajikistan** team, including Mubin Rustamov, Assistant to Resident Representative;
- **UNDP CO in Armenia** represented by Armen Tiraturyan, Project Manager;
- **UNDP Regional Hub for Europe and the CIS** New Partnerships and Emerging Donors Team, including Alexander Averchenkov, TFD Manager.

Full list of participants is available in a [shared access folder](#).

KEY FINDINGS: MECHANISMS, BEST PRACTICES AND LESSONS LEARNT OF AREA-BASED DEVELOPMENT PROGRAMMES

The round table facilitated free exchange of insights, ideas and experience by the participants directly or indirectly involved in design, implementation, monitoring and assessment of area-based programmes. Participants were also able to get a feedback and to discuss the project results with the beneficiaries in Naryn and Osh via video conference at the facilities of the Ministry of Emergency Situations of the Kyrgyz Republic.

The round table has revealed that in general the **area-based development approach used in the Russia-funded projects has proven successful in addressing development problems at community and grassroots level**, stimulating local economic growth via creating of employment opportunities, solving local infrastructure problems such as building an irrigation system, opening a water well, repairing an electricity station, etc.

Modalities of area-based development (ABD) programmes slightly vary from project to project and sharing of experience has proved to be a useful exercise to stimulate reflection on what works and introduction of new models, approaches and practices. Key findings structured around main programme's components are outlined below.

Community development planning, identification of development priorities

All area-based programmes start from **joint identification of local development priorities**. Support to **local development planning** is the important instrument of ABD programmes implementation. In Tajikistan, the District Development Programme is a mechanism of localization of global and national strategic priorities and allows to take into account the interests of all levels of the population in the planning and implementation of local development priorities. In Naryn, Kyrgyzstan, a regional development plan exists but there are no plans in each community and UNDP programme has been supporting planning at the community level. In Armenia over 80% of the community plans that were developed with the UNDP project support were later used by communities in drafting their 5-year plans in line with the Law on Local Self-Governance.

Feeling of ownership by community over their development planning and prioritization is the key for ensuring sustainability of the results in this component. The level of local budgets allocations is an important factor in ensuring that development plans are taken seriously and actually work. In Tajikistan, districts have limited budget to allocate to development priorities, in Kyrgyzstan communities have budgets but districts do not, so the dynamics differ and should be taken into account so that development plans supported by UNDP leads to results and does not just lay on shelves. In Armenia, UNDP is engaging communities in various activities related to the priorities identification, for example, essay competitions on “How to make resilient community” enables facilitation of participation of diverse groups of stakeholders to voice their opinion in the process of defining the vision and direction of development of their communities who otherwise would not be able to contribute to the community planning process.

Heated discussions arose around the issue on whether a unified **model of local development** is needed, for example in Kyrgyzstan. Development of such a model was recommended by UNDP Independent Evaluation Office to support the Kyrgyz Government in making local planning more systemic and predictable. At the same time many participants felt that such model would not translate into practice and would be just one more paper that is not used, they proposed instead to focus on supporting actual planning practices at the community level.

Selection of projects and initiatives for financial support

A 2006 Practitioner’s Guide to Area-Based Development Programming by Jan Harfst admits that *“successful area-based economic development strategies will be in first instance most effective for those that are willing and able to make use of the opportunities, which are seldom the poorest of the poor or the destitute. But eventually, “trickle-down” effects of local economic development may improve conditions for these groups as well”*¹. The **issue of whom to support – those most in need or those with greatest potential** – drew great attention of participants. In Armenia, the

¹ <https://www.dropbox.com/s/cnrkmt6pmsimoi1/A%20Practitioners%20Guide%20to%20Area-Based%20Development%20Programming.pdf?dl=0>

project focuses on those in need (young families, women-headed families, people with disabilities, etc) out of those who demonstrate high potential to deliver sustainable growth. Kyrgyz colleagues prioritize projects and initiatives that can provide sustainable results. For example, they support an existing business to widen its production and to employ project beneficiaries. Previous experience have shown that if business owner does not have sound economic strategy and has not invested in the business before, such enterprise might not operate for long time. Tajikistan project has dual approach. It provides loans via microfinance institutions to the existing businesses and individual enterprises but also has a grants scheme to support initiatives and businesses with clear value for the community. Projects for grant support are selected by special committees in the communities. General view regarding the issue whom to support is that economic growth points should be supported.

Practices on **how the projects are chosen** vary. In Armenia, projects to be supported are chosen by the project team with intense consultations with local community leaders and other stakeholders, application are submitted based on an open call and undergo a very careful and strict selection process. In Tajikistan, there are working groups within the district administrations, consisting of private sector, community and government representatives, that select the projects to be funded and UNDP offers support in assessing the quality by developed Quality Assurance Document and feasibility of the business plans. Also, supported projects are taken from the District Development Programmes. In Kyrgyzstan the approach to delivering support to beneficiaries have changed over time: first, in the project in Batken province UNDP directly provided financial assistance to beneficiaries, in the Naryn project community councils made the decisions with the support from UNDP in assessing the applications, as for the Osh project, the team is still deliberating the best way.

Interests of different groups vary and should be carefully identified and incorporated in the ABD programme design and implementation. Participants from the Osh region via videoconference have told to the roundtable participants that as a rule local authorities want to support social infrastructure such as schools, hospitals, kindergartens. UNDP assures them to invest in economically sound project activities that would generate more long-term benefits by investing in projects, stimulate economic growth in the communities and would create employment opportunities. Interviews with community members and leaders in the Naryn region showed that more impact was achieved by activities that solved local infrastructure problems (such as building an irrigation system, opening a water well, repairing an electricity station, etc.) from which the larger community benefited. The donor has also expressed support for practically oriented interventions.

Local context and programme design

Development priorities are directly related to the **specifics of the particular region or territory**. For example, in the Osh programme special attention would be paid to local community resilience to natural disasters as the region is prone to various natural calamities associated with

weather, landscape and seismic activity. The 2010 inter-ethnic conflict lessons learned in Osh and Jalalabad regions also necessitate strengthened engagement of executive bodies, local authorities and not-for-profit organizations for their collective response to major conflict-related emergencies and crises.

Deep knowledge of local context is pivotal for development of the successful area-based project design and this insight was once again reiterated at the discussion of the **Zeravshan proposal**. The project was developed by specialists with extensive work experience in the region and takes into account various **local conditions, including the power structure**. Project development was preceded by the exploration trip to Ayni and Kuhistoni Mastchoh districts in Zeravshan River Basin. During the trip and intense communication with local stakeholders specific bottlenecks that prevail women and youth from active participation in the economic life were revealed and project design is based on these findings.

A number of **bottlenecks for youth and girls' education** was revealed during the Zeravshan project preparation stage. It was discovered that girls are not encouraged by their families to attend vocational training colleges if they need to leave home and live at the dormitories. Given the remoteness of most of the communities from district centers that means that women and girls cannot receive any technical and vocational training. The project intends to overcome this by bringing the short- or medium-terms training opportunities to the communities in which girls reside. In addition, girls prefer to study in female-only groups and such opportunities will be provided. The project will also support the modality of apprenticeship to endow youth and women with skills needed for income generation. Another revealed bottleneck relates to the poor access to education and health services as this social infrastructure is in extremely poor condition. A trip to reach a hospital would take more than a day and this leads to more unsafe births at home, for example. By investing in social infrastructure the project would also partially address the issue of time poverty when people spend time in accessing basic infrastructure and have less time left for productive activities.

Dialogue with government at various levels, cooperation with development partners

All the area-based development programmes start from the **dialogue with the Government** at various levels: central, regional, community. In Tajikistan the Government has decided in what communities the programme should work.

All projects stressed that there should be greater attention to supporting **capacity building of local authorities**. One of the best practices in Naryn was to provide grant money directly to the local authorities' budgets and later they were used for solving local socio-economic problems under the constant supervision of UNDP. Same approach will be used in Osh.

One of the lessons from Tajikistan is that close cooperation with the responsible government agencies and the local community to **raise awareness about the reforms** in the sphere of labor

and employment opportunities is a prerequisite for the effective implementation of projects to increase employment. Also, platforms for public-private dialogue - Regional Consultative Councils on Improving Investment Climate established to improve the investment climate, and business environment at the local level and serves as a tool to build confidence between different sectors of society, and an effective mechanism for solving business problems. Consultative Councils are also serving as a platform to facilitate the investors for selection of areas for funding.

All area-based projects **coordinate their activities with the donor community** working in the same region. In some cases, they use existing mechanisms such as for example Development Partners Coordination Council in Kyrgyzstan and Tajikistan. In other cases, UNDP convenes donor meeting, such as for example Development actors coordination meeting on development assistance programmes to Tavush in March 2017. The Tavush project also intensively cooperates with the School feeding programme that is implemented by WFP and Russian Social and Industrial Foodservice Institute and will renovate seven school canteens.

Practices in specific interventions, including income generation activities

In Tajikistan, previous experience has shown that the most sustainable projects are **projects with economic potential**. For example, it was revealed that Tajik fruit producers are not familiar with the full cycle of marketing and sales, while very small interventions can seriously improve the quality of their products. For example, non-observance of minimum quality standards in storage and transportation can affect the quality of agriculture products. E.g. if fruit storage has a small step at the entrance, fruits will be a bit shaken while loaded and quality would be worse. Most of community representatives and businesses have limited financial resources to ensure production and processing of agriculture products in sufficient volumes and standardized quality to meet demand of big importers from Russia and other countries. Zeravshan project would pay attention to investing in development catalysts, such as value chains initiatives and support for marketing, logistics and sales.

Microcredits with concessional rates in rural areas have positive influence on the initiation and implementation of business ideas and serve as an effective instrument to support local business. Experience with microcredits have been positive in all projects, but the modalities of how to provide credits vary. Microcredits in Tajikistan were provided via non-profit public funds, selected through transparent competitive process so that the state can take part of the risks associated with non-repayment.

Grants to projects and initiatives with high social effect have also been widely used. For instance, in Tajikistan, a female entrepreneur received a grant to support her adras production and hire new employees, she developed 14 new types of the fabric. Grants are important to support initiatives that can have high social effect and in that particular case it was important to support a businesswoman. Survey in Tajikistan showed that one of the most important hindrances to female entrepreneurship is the lack of confidence (due to cultural prejudice about women' role

in society) and generally lower level of education among women. Positive examples from more successful female entrepreneurs, mentorship programs and support to business networking may have positive effect on developing motivation for female entrepreneurship and self-employment. Access to financial resources and business skills also plays important role.

Both in Kyrgyzstan and Tajikistan, projects had positive experience with **vocational training institutions**. Rehabilitation and equipping of vocational training institutions in Tajikistan and provision of professional training courses were very important for the development of professional potential and employment of the local population, including the poor and vulnerable community. UNDP supported the introduction of new training courses in local vocational lyceums, and the diversification of educational programs that are in demand in the labor market. Targeted vocational lyceums are actively working with different groups (including women, youth, people with disabilities), and actively cooperate with employers and local authorities. In Kyrgyzstan, Russian experts were involved into development of a strategy for vocational training including strengthening of the material and technical basis, introduction of new education programmes, and facilitation of lyceums collaboration with various stakeholders of the job market.

Establishment of **machinery pools and agricultural collection center** has been proven effective to support agricultural production in a cluster of villages. Greenhouses are also in high demand. In Armenia, farmers are able to increase their income by cultivating crops in greenhouses in a safe environment. With small modification, it is possible to grow herbs even during the coldest months of the year. One of the lessons learnt from Naryn programme is that introduction of the green technologies could have been stepped up. In Osh, the programme on creation of 'Green villages' will be further tested.

Best practices related to programme's management

One of the good practice in Naryn programme has been the placement of the highly qualified **procurement** specialist in Bishkek in the central UNDP project implementation office. That enables to streamline and fasten the procurement processes. Naryn experience has also shown that monitoring of the grants and project activities to ensure sustainability of results needs greater period and programme length should be sufficient.

Sustainability of results, potential for scaling up and replication

To ensure **community ownership and sustainability of the results**, all projects require some kind of community cost sharing. In Armenia, the project's beneficiaries are required to provide at least 20% own contribution to the sub-projects. Often beneficiaries receive some share of the 20% support from local diaspora associated organizations for large-scale capital intensive projects. The project also considers some conditional schemes to substitute 20% share, for example, a bakery owner can receive new equipment on a condition that later he or she would provide bread for a local school and thus substitute the 20% requirement. In Tajikistan, input by the local community may translate into renovating the building or a room for the small business by the

community itself while UNDP would only provide equipment for the business. In Naryn, Kyrgyzstan, support was provided to youth entrepreneurs and they made a commitment to pay up to 10% of their profits to the local budget.

In Armenia, the Community Development Funds, founded and managed by the communities, serve as a means for financial support to **effective management** of the agricultural collection centers and agricultural machinery pools that were created under the project. Such Funds often provide the cofinancing and later they can reinvest the profit into other community-development project or enlarge the production / services already established. Also very importantly, they can hire a professional manager to administer the Fund thus having more chances for its sustainability once the project ends.

An important insight from Kyrgyzstan relates to **purchase of equipment**. Consideration on its future use should be taken into account already at the stage of procurement, as the best quality-price ratio does not entail that community will have skills and local budget to maintain the equipment after the project's closure. For example, the Naryn project made sure that there are at least several specialists in the community trained in maintenance of solar batteries.

In general, previous UNDP experience has shown that the most sustainable projects are projects with **economic potential and development catalysts**, such as value chains initiatives and support for marketing and sales. In Tajikistan, this experience will be taken into account in the provision of small grants to non-governmental organizations, associations of dekhkan farms, local business - associations and business support centers in the framework of the project.

FUTURE PLANS AND FOLLOW-UPS

Participants have discussed on how the successes achieved under the ABD programmes can be **scaled up and replicated in a systematic manner**. A fairly robust evidence-based data is needed to be taken forward for policy dialogue with government at appropriate levels. There is a high demand to consolidate efforts in the same districts and with the same communities. For example, the respective governmental authorities supported by international and national donors and partners may **continue and scale up work in the the Batken, Jalal-Abad and Naryn regions** and communities around radioactive sites in **Kyrgyzstan**, in the **nine districts of Tajikistan**.

Given the specifics of the region, cross-border cooperation and **ABD programmes in the bordering regions** would also have great potential to solve pertinent issues for the communities and support peace and stability in the region by minimizing conflict potential. There is a strong need to support **ABD programmes targeting the youth** and their specific needs in employment, education and entrepreneurship as, for example, 70 % of the population of Tajikistan are under the age of 30.

The round table focused on major issues of ABD programmes implementation and revealed great appetite of participants to continue exchange of practices as only a portion of pertinent issues was discussed due to time constraints. Participants shared willingness to further engage in such ‘community of practice’ exercises, for example, on a rotating basis among the participating countries. **Issues that can be discussed further** and were of interest to participants include: how demonstration projects can be replicated; when the impact should be measured and how; how to build the evidence base to show that it is the programmes that have impact and not some other concurrent measures; how to design and implement an exit strategy; what are the potential limitations to the area-based approach, etc.

ROUND TABLE MATERIALS

Participants have shared analytical and informational materials produced by the projects, with a focus on their experience and good practice on supporting visibility of area-based programmes, including videos, infographics, publications, etc. All round table materials including the list of participants, presentations, background materials, videos, photos and other visibility materials are available in a [shared access folder](#). The folder will be further updated and maintained. The participants are encouraged to share any relevant materials with Anastasia Maximova at anastasia.maximova@undp.org.



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