

UN Capital Development Fund

Inclusive and Equitable Local Development (IELD)

A joint initiative with UN Women and UNDP

Global Programme Initiation Phase (PIP)

Project Title:	Inclusive and Equitable Local Development (IELD) Programme
Proposed Countries : Will be determined after the mapping exercise	• Africa Candidate Countries can include (Senegal, Zambia, Ethiopia, Benin, Tanzania) • Asia (Bangladesh) Candidate Countries can include (Nepal, Bhutan, Cambodia)
Inception Period	December 2013 – December 2014
Estimated Funded Inception Budget (Nov 2013-May 2014)	SIDA \$US 250,000 UNCDF Core \$US 200,000 Total: \$450,000

Brief Description

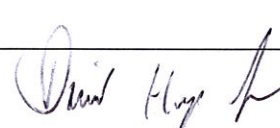
IELD is a global initiative, Led by UNCDF in potential partnership with UN Women and UNDP, which will build upon the strategic comparative advantage of each UN organization and its development partners, with the aim of supporting local governments to design, plan, implement and sustain local investments that take into consideration the differentiated and specific needs and priorities of poor women and men, with a particular emphasis on unlocking barriers to women's economic opportunities and empowerment.

The principal objective of IELD is to support local authorities in the LDCs in fostering women's economic empowerment by creating the enabling environment necessary to achieve and sustain inclusive and equitable socio-economic development, with women's access to local economic opportunities, women's entrepreneurship, and access to public services at the heart of the programme.

The Purpose of the Inception Phase is to work closely with UNDP and UNWomen to finalize the scope of the partnership and to finalize the design of the Global Programme with clear activities, roles and responsibilities, and to develop the necessary gender responsive tools which will provide the basis of the programme including the gender responsive local assessment tool, the gender responsive local development training modules and the targeted programme indicators at the output and outcome levels. The inception phase will also allow the UN partners to pave the way for country selection and buy-ins and further partnerships including with donor countries.

For Approval


 29.01.2014
 Marc Bichler, Executive Secretary UNCDF


 David Johnson
 29/01/2014

Least-developed countries (LDCs) in Africa are among the fastest growing economies in the world¹. However, despite the wealth creation associated with such growth, deepening inequality is holding back the continent, leaving the vast majority of African societies and peoples, and especially the LDCs, living on less than \$1.25 a day, the majority of whom are women and girls. Unfortunately, the uneven balance and patterns of economic growth have not trickled down or created a base of opportunities to those who need it most, poor women and men, girls and boys.

A key reason why economic growth has failed to provide opportunities for poor women and men is because of the lack of recognition of the synergies between gender equality, economic growth and poverty reduction, which in turn has led to development policies and planning, budgeting frameworks and investments failing to take into consideration the differentiated needs and responsibilities of women and men. For this reason, at the local level addressing gender inequality remains a critical and immediate development challenge in the LDCs.

To respond to this gap, the UN Capital Development Fund (UNCDF) in partnership with UN Women and the United Nations Development programme (UNDP) are designing a new programme entitled the “Inclusive and Equitable Local Development Programme” (IELD) to systematically address gender inequalities in economic development frameworks and investments at the local level.

IELD is a global initiative, which will build upon the strategic comparative advantage of each UN organization and its development partners, with the aim of supporting local governments to design, plan, implement and sustain local investments that take into consideration the differentiated and specific needs and priorities of poor women and men, with a particular emphasis on unlocking barriers to women’s economic opportunities and empowerment. It builds on the experiences and lessons learned from a regionally-piloted UNCDF programme in Africa, the “Gender Equitable Local Development Programme” (GELD), and will adopt a comprehensive and broader approach adaptable to the needs, conditions and priorities of the LDCs.

The overall objective of IELD is to support local governments in the LDCs to foster women’s economic empowerment by creating the enabling environment necessary to achieve and sustain inclusive and equitable local economic development, with women’s access to labour market opportunities, women’s entrepreneurship and access to public services at the heart of the programme.

The programme is based on four main components, which can be implemented as a whole or as a combination thereof, depending on local demand for the programme, the state of the local government system, and the socio-economic and political conditions of the country. The four main components are:

- (1) A gender-sensitive mapping and local economic assessment of target localities to identify the key entry points for UNCDF interventions. The collected information will provide an analysis of the locality’s socio-economic situation and the state of the local government system,

and in so doing will begin to point to the inclusive and equitable projects and programs that are (i) required and (ii) possible.

(2) Creating an enabling environment for inclusive and equitable local economic development by strengthening local economic governance capacities and public expenditure frameworks.

(3) Using UNCDF's state-of-the-art and well-established financing tools to provide innovative options to accelerate and sustain inclusive and equitable local investments. UNCDF financing tools support local governments to unlock, leverage and increase capital flows to local institutions while at the same time working closely with local governments to mobilize, allocate, invest and account for these increased flows.

(4) Producing robust gender-disaggregated data and statistics at the local level, with the objective of achieving policy, legal and regulatory improvements as a result of better evidence, enhanced evidentiary coherence, a more balanced understanding of lessons learned from previous interventions and investments, knowledge sharing and advocacy. The data will also provide the evidence needed to influence national, regional and global debates on addressing inequalities in the post 2015 discussions and beyond.

The global programme will be initially be implemented in five pilot countries over the four-year period between 2015 and 2018.

This Concept Note lays the framework for collaboration between UNCDF, UNDP and UN Women to support the strengthening of inclusive and equitable local economic governance and women's economic empowerment, and in so doing support national development policies in the LDCs.

I. Background

i. Gender equality and UNCDF

There is ample evidence that promoting gender equality, a development goal in its own right, is an important means to achieve the Millennium Development Goals (MDGs) more broadly. However, limited recognition of the synergies between gender equality, economic growth and poverty reduction led to the development of policies, planning and budgeting frameworks that failed to take into consideration the differentiated and specific needs and responsibilities of women and men. Thus, for many years the predominant development policy was to boost economic growth in order to provide a wider range of opportunities for poor women and men, and in so doing contribute positively to gender equality and, more specifically, women's economic empowerment. More recent research, as well as debates among scholars, development institutions, civil society and grass-roots organizations, have now brought into clear focus the linkages between gender equality, economic growth and poverty reduction, and have revealed strong evidence that policies focused on economic growth alone are not sufficient to reduce poverty or address gender inequalities².

As a consequence, it is now recognized that the impact of growth on reducing poverty and enhancing gender equality in developing countries is not exclusively correlated with the pace of growth, but more fundamentally with the pro-poor inclusive and equitable public policies in place, which create an enabling environment that determines how resources are channeled in the economy, the efficiency of financial flows, the distribution of resources, and the sustainability of the public and private investments that are in place³. Taking into consideration the fact that 70 per cent of the world's poor are women, it goes without saying that unless development strategies and interventions at the global, national and local levels are targeted towards the needs and priorities of both women and men, countries are unlikely to sustain any progress towards achieving the MDGs, or achieve them on time.

This increased recognition has led to a fundamental shift in the development thinking from a "growth-first" approach to one that is built on human development, and more specifically one that encompasses policies and interventions that target the needs of the poor. As a result, approaches to development grounded in human rights, which specifically emphasize, inter alia, non-discrimination, equality, participation, and inclusion have gained in prominence, most notably within the UN System.

As former UN Women Executive Director Michelle Bachelet stated, "There can be no meaningful progress if women, who comprise half of society, remain out of the mainstream of society and do not have access to opportunities, including those of quality education, healthcare, employment, protection from violence, and participation in decision-making processes in society, as well as ensuring their rights". Hence, unlocking barriers to women's effective participation in the labour market, entrepreneurial opportunities, access to and control over resources, as well as decision-making processes at the household, community, local and national levels remain a key prerequisite for addressing society's inequalities, producing healthy, productive and competitive markets, and sustaining economic growth.

To respond to the urgent need to unlock these barriers to women's economic empowerment, UNCDF in collaboration with UN Women, UNDP and other UN entities are designing a new programme entitled the "Inclusive and Equitable Local Development Programme" (IELD) to systematically address gender inequalities in economic development frameworks and investments at the local level. IELD is a global initiative, which will build on the strategic comparative advantage of these UN organizations and development partners, with the aim of supporting local governments to design, plan, implement and sustain local investments that take into consideration the differentiated and specific needs and priorities of poor women and men, with specific emphasis on unlocking barriers to women's economic opportunities and empowerment.

UNCDF has made women's empowerment an institution-wide priority cross-cutting theme and is determined to secure a future of equal rights, equal opportunities and progress for all. In 2012 UNCDF approved its first "Gender Equality and Empowerment of Women (GEEW) Strategy". The strategy supports gender equality as a basic human right (the right thing) and promotes GEEW as a means to support the UNCDF mandate (the smart thing). The drivers of the strategy are a common understanding of gender mainstreaming, a human resource structure that encompasses capacity and accountability frameworks, and a gender-responsive institutional set up.

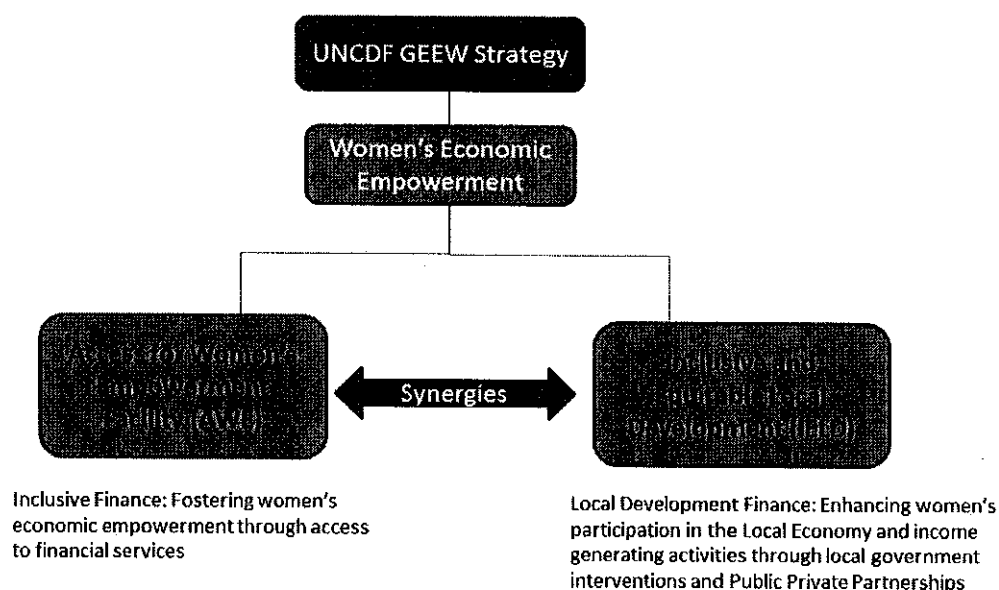


Figure 1: One Strategy, two track global programmes. The approach is based on the common objective of women's economic empowerment through inclusion. The division of labor is based on the comparative advantages of UNCDF's programming areas. All programming focused on the provision of financial services will be carried out under future AWE or the Financial Inclusion Programme Area's support to Financial Service Providers (FSPs).

In line with the GEEW strategy, the two practices of UNCDF, the Local Development Finance Practice and the Inclusive Finance Practice, have jointly developed a common approach to systematically address gender equality in the programmatic functions of both. In this context, and in line with UNCDF's mandate and core approach, it was determined that women's economic empowerment would be the principal focus of the umbrella strategy under which both practices would focus their programmes to ensure that gender equality measures were effectively contributing to unlocking barriers to women's economic opportunities and empowerment. By doing so synergies and complementarities would arise, as a result of the coherent approach among both practices while maintaining two parallel tracks to achieve the desired outcomes.

The IELD programme will build upon some of the experiences and lessons learned from the regionally- piloted UNCDF programme in Africa, the "Gender Equitable Local Development Programme" (GELD)⁴. In doing so, IELD uses a comprehensive approach adaptable to the needs, conditions and priorities of the LDCs. The IELD will support local authorities in the LDCs to foster women's economic empowerment by creating the enabling environment necessary to achieve and sustain inclusive and equitable socio-economic development, with women's access to local economic opportunities, women's entrepreneurship, and access to public services at the heart of the programme. In complementarity, UNCDF's upcoming programme AWE will promote innovative, replicable, sustainable, and scalable financial solutions that will lead to women having access to financial and non-financial services that works primarily with the private sector and civil society. AWE can complement IELD in the countries and localities where they are both operational

The ILED programme design is based on four main components, which can be implemented as a whole, or as a combination thereof, depending on local demand for the programme, the state of the local government system, and the socio-economic and political conditions of the country. They are:

Gender-sensitive local economic and institutional assessments: Target localities will be used to identify the key entry points for UNCDF interventions through the use of UNCDF's Local Economic Assessment (LEA) tool. The collected information will provide an analysis of the locality's economic situation and the state of the local government system and in so doing will begin to point to the inclusive and equitable projects and programs that are (i) required and (ii) possible.¹

Creating an enabling environment: Through targeted capacity building, inclusive citizen engagement, and technical advisory services, UNCDF and its UN implementing partners will utilize the Public Expenditure Management (PEM) system to support local authorities to analyze, design, plan and budget inclusive and equitable gender responsive interventions that address and unblock women's access to and participation

¹ Where possible, efforts will be made to examine through the mapping tool issues related to access to finance in consultation with UNCDF's Financial Inclusion Practice.

in the local economy.

Using UNCDF's innovative financing tools: UNCDF financing tools play a critical role in providing well-established yet innovative options to accelerate and sustain inclusive and equitable local investments. Depending on the level and framework of cooperation, one or a combination of these financing tools and instruments can be applied to achieve targeted results that are inclusive and equitable. Through UNCDF financing tools UNCDF can support local governments to unlock, leverage and increase capital flows to local institutions, while working closely with local governments to mobilize, allocate, invest and account for these increased flows.

Knowledge-sharing and advocacy: Inclusive and equitable policy, legal and regulatory improvements at the local level requires robust gender-disaggregated data and statistics collected at that level, which UNCDF will facilitate. Moreover, gender-disaggregated data provides the evidence needed to achieve a more rounded understanding of the lessons learned from policy, legal and regulatory changes, and in so doing helps knowledge sharing and advocacy. The data will also help to generate the evidence needed to influence national, regional and global debates on addressing inequalities in the post 2015 discussions and beyond.

Under the IELD programme, targeted capital investments at the local level will be made⁵ with the aim of ensuring:

- The effective participation of women in the decision-making and institutional processes that identify investment requirements;
 - The responsiveness of the investments to the differentiated and specific needs of poor women and men;
 - A significant share of women as the intended beneficiaries, with the tangible objective of unlocking women's potential in the local economy;
 - A focus on investments that leverage additional resources, have widespread multiplier effects, and which are self-sustainable;
 - A focus on investments that can be scaled-up or replicated to other localities, and to the national level.

The IELD programme will be initially implemented in the five GELD pilot countries, as well as two additional countries in Asia-Pacific region, over a five-year period between 2013 and 2018. Section IV provides further details on the geographical coverage.

ii. Women's Economic Empowerment

Women's economic empowerment can be defined as the ability of women to bring about positive changes in their lives, in their household's lives, and in their societies as a result of their participation in economic activities. These activities include their ability to: function effectively in the economy; participate in labour and product markets on equal terms with men; shape the gender division of labour within the household and the labour market; accumulate and exert control over their own and shared assets; and influence governance and institutional structures

that inform the relationship between the market and the state and the processes that determine the pace of economic development. Women's economic empowerment must be underpinned by a broad spectrum of individual and collective rights, because it cannot be achieved without women having agency in other areas of their lives. Social norms, cultures of discrimination, inequitable laws, power structures, and gender divisions of labour—both in and outside of the home—can significantly impact on women's economic position, their autonomy, and their feelings of self-worth. These wider structures cannot be challenged individually. As such, while a woman's agency might be individually held, it is created and supported by collective action⁶.

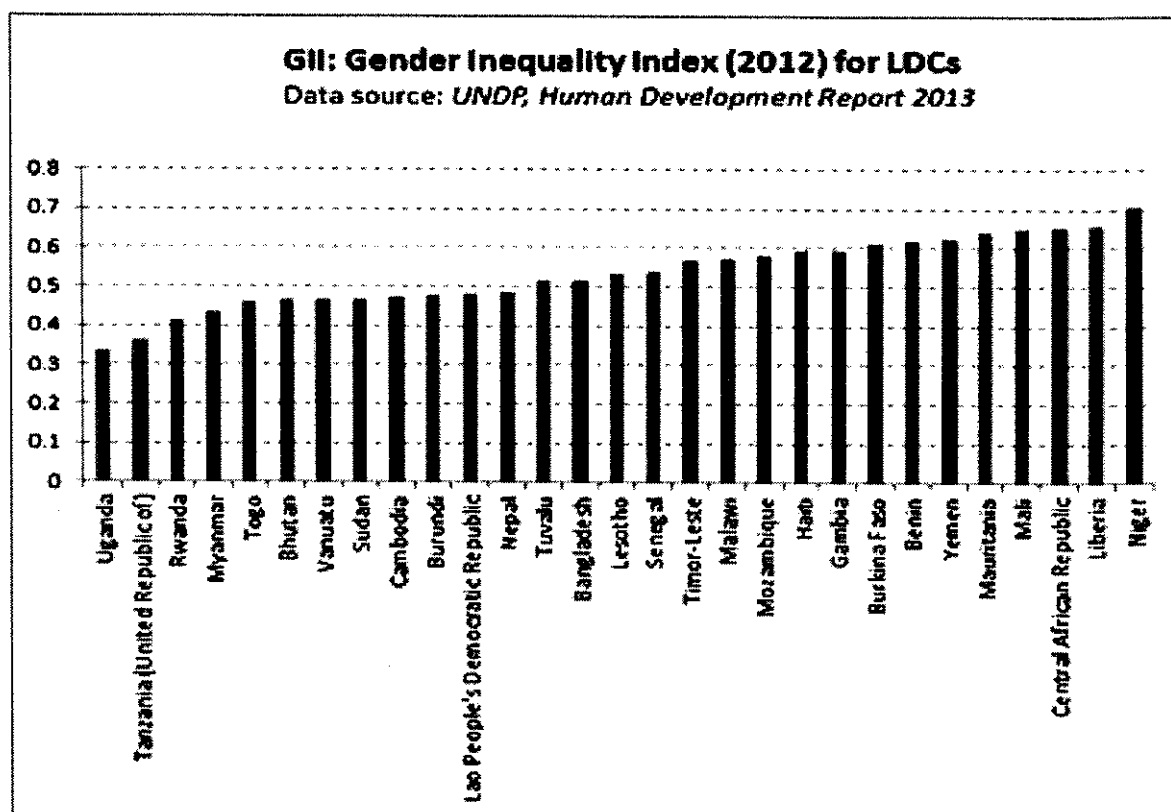


Figure 2: The Gender Inequality Index for select LDCs (UNDP HDR 2013)

The Gender Inequality Index (GII) data displayed in Figure 2 from the 2013 UNDP *Human Development Report* clearly shows that women are severely disadvantaged in the three dimensions used to measure the GII: (i) reproductive health, (ii) empowerment and (iii) the labour market. The index represents the compounded loss in human development due to inequality between female and male achievements for these three dimensions. Close examination of the data for the LDCs demonstrates that national progress is severely eroded due to gender inequalities in these countries⁷, and thus that there is a lack of women's economic empowerment.

The “Programme of Action” for the decade 2011-2020, which was presented in the outcome document of the Fourth United Nations Conference on the Least Development Countries, held

in Istanbul, Turkey,⁸ identified five main objectives that had the aim of enabling half the LDCs to meet the criteria for graduation by 2010. These included:

- Achieving sustained, equitable and inclusive economic growth in the LDCs, to at least a level of 7 per cent per annum, by strengthening their productive capacity in all sectors while at the same time overcoming their marginalization in the global economy through their effective integration into world trade and investment flows, including through regional integration;
- Building human capacities by fostering sustained, equitable and inclusive human and social development, gender equality and the empowerment of women;
- Reducing the vulnerability of the LDCs to economic, natural and environmental shocks and disasters, as well as climate change, and enhance their ability to meet these and other challenges by strengthening their resilience;
- Ensuring enhanced financial resources and their effective use for LDC development, including through domestic resource mobilization, official development assistance, external debt relief, foreign direct investment and remittances;
- Enhancing good governance at all levels, by strengthening democratic processes, institutions and the rule of law; increasing efficiency, coherence, transparency and participation; protecting and promoting human rights; reducing corruption; and strengthening governments' capacity in the LDCs to play an effective role in their economic and social development.

However, while gender equality and the empowerment of women is recognized as one of the main prerequisites for achieving internationally-agreed development goals such as the MDGs in the LDCs, progress on such fronts will remain possibly the most challenging development goal hindering the achievement of all the other MDGs unless the gender dimensions in all the priorities of the Programme of Action are systematically addressed.

Such is also the case at the local level. Limited local recognition of the synergies between gender equality, economic growth and poverty reduction has led to local development policies and planning, budgeting frameworks and investments that fail to take into consideration the differentiated and specific needs and responsibilities of women and men. For example, while it is documented that women perform 66 percent of the world's work and produce 50 percent of the food, they earn only 10 percent of the income and own only one percent of property, including land⁹. This data especially applies to the rural areas of the developing countries, where the majority of the world's women work, the majority of the world's food is produced, and where gender discrimination continues to widely prevail. Indeed, according to research undertaken by the United Kingdom's Department for International Development, total agricultural output in Africa might increase by up to 20 percent if women's access to agricultural inputs was equal to that of men¹⁰.

Thus, there are many elements for a country to consider when pursuing gender-inclusive and equitable local development. One critical element is generating productive and gainful employment¹¹. Targeted and sustainable investments that facilitate women's inclusion and

access to local economic opportunities will be instrumental in achieving both socio-economic empowerment and sustainable growth. When women are given the opportunity to participate in the local economy, not only are they empowered, but so too is the entire community. When women earn income, women are more likely to share their economic gains with their families and their communities at large, spending disproportionately more earned income on food, healthcare, home improvement and schooling for themselves and their children¹². Thus, investing in women produces multiplier effects that benefit the whole community and contribute to socio-economic stability.

II. Organizational Background

I. UNCDF

UNCDF is the UN's capital investment agency for the world's 49 LDCs. It focuses on Africa and the poorest countries of Asia and the Middle East, with a special commitment to countries emerging from conflict or crisis. Within its economic development mandate UNCDF specializes in public and private financing mechanisms that catalyze economic growth that is inclusive, equitable and sustainable and which empowers people and countries to unleash their potential. Through its country programmes and its global thematic programmes, as well as by utilizing innovative financing tools and well-established investment instruments, UNCDF offers a unique combination of investment capital, capacity building and technical advisory services to promote local development finance and inclusive finance in the LDCs, with the overarching objective of accelerating poverty reduction through sustainable, inclusive and equitable local development.

ii. The Local Development Finance Programme Approach

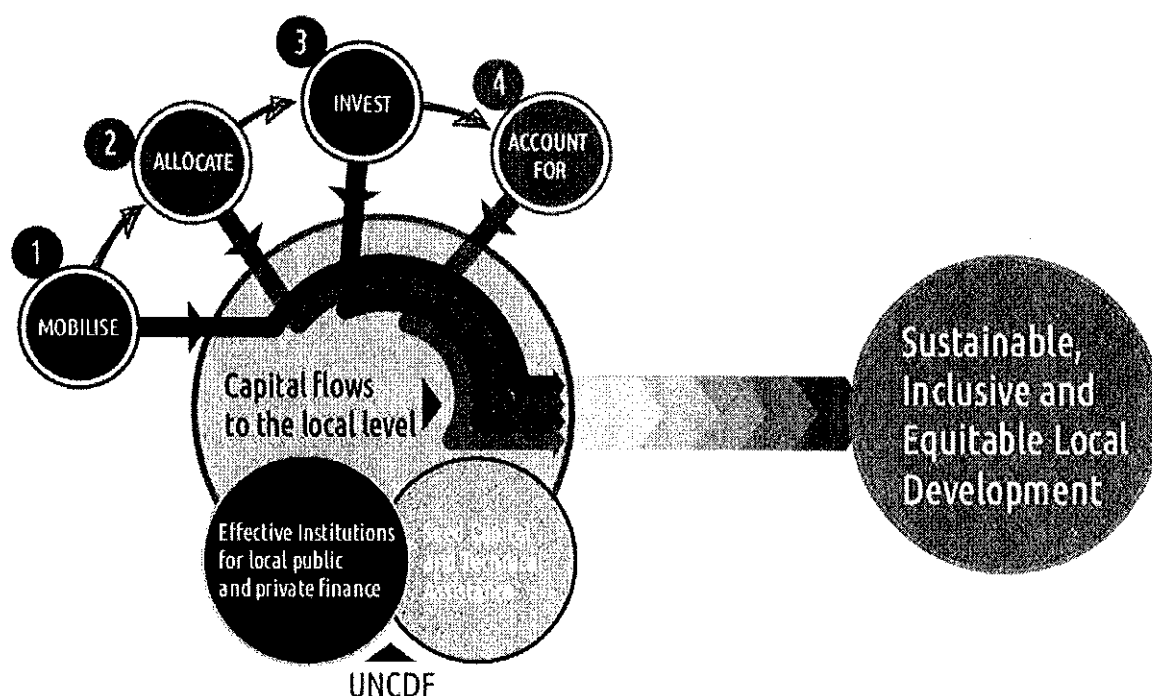


Figure 3: The Local Development Finance Programme Core Approach

UNCDF's Local Development Finance Programmes (LDFP) responds to the organization's corporate mandate by promoting poverty reduction through local development in several principal thematic areas: climate change and food security; social protection; gender and the economic empowerment of women; local economic development; and information and communications technologies (ICT) for local development. Moreover, LDFP promote poverty reduction through local development in three types of institutional environments: post conflict or post disaster situations with weak or unclear institutional arrangements; countries that are building or consolidating their local institutions; and countries with mature local institutional environments and developed fiscal decentralization systems. Projects, themes and instruments are adapted to specific local contexts.

The LDFP help to unlock, leverage, and increase capital flows to local institutions while working closely with local governments to mobilize, allocate, invest and account for these increased investment flows. To achieve this, UNCDF's financing tools and investment instruments play a critical role in providing innovative options to sustain and accelerate local investments that seek to benefit those who need it most, whether they be poor women and men, girls and boys. Depending on the level and framework of cooperation, one or a combination of UNCDF's financing tools and instruments can be applied to achieve the targeted results the organization seeks, including:

Local Development Funds: These are capital transfers provided to local government financial systems, either directly to the local bodies themselves or as proxy

intergovernmental fiscal transfers that reach local governments through central government channels. Local Development Fund (LDF) transfers can be a form of direct earmarked budget support or can be ring-fenced. LDF is a performance-based funding mechanism that uses Minimum Conditions / Performance Measurement (MC/PM) Systems as tools to improve local government performance, in that annual assessments encourage compliance with regulations, identify capacity gaps in different functional areas, and strengthen general monitoring and evaluation systems. UNCDF's investment mandate provides flexibility in offering a large variety of LDF flows, as well as well-established state-of-the-art public financial management and accountability arrangements.

Structured Leveraged Project Finance Tool: This tool supplements the role of LDFs in promoting poverty reduction through local development by providing a fiscal transfer that has the purpose of attracting private project finance by reducing the risk attached to the private investment. The Structured Leveraged Project Finance (SLPF) tool is based upon UNCDF's Local Finance Initiative (LFI), which provides structured non-recourse financing solutions, in the form of collateral guarantees, for development projects that are part of local development programmes. The LFI is currently operational in Africa and will be further developed and tailored for the other regions.

Government to Person Payments: Cash transfers are government to person payments (G2P). These micro transfers can be from central or local government, to individual beneficiaries as conditional payments (for example micro scholarships), as unconditional payments (for example pensions), or as compensation payments (for example for disaster or climate change relief). They can be paid through service providers that use outlets such as post offices or shops, or through mobile money or payment cards, amongst others. This innovative financing tool provides the poor women and men that are the beneficiaries of the transfers an opportunity to use their G2P to leverage other financial services, thus providing opportunities to the exit from the cycle of poverty.

Local Development Innovative Finance Approaches: In accordance with the capital-enhancing mandate of UNCDF, the LDFP is establishing development mechanisms that, by being innovative in the locality where they are being introduced, provide additional local development finance instruments that can be utilized to further invest, improve and respond to the urgent needs of local citizens. One such example would be facilitating the issuance of municipal bonds. Through close relationships with development partners, and the utilization of debt finance in the form of municipal bonds, the leveraging of philanthropic capital, the gearing of remittances, and other sources of funding, UNCDF is able to provide other financing modalities that can give local governments alternative long term financing options to improve their ability to effectively meet their development needs.

In order to unlock, leverage, and increase capital flows to local governments UNCDF relies upon a pair of diagnostic tools that assesses the needs of development partners:

UNCDF Local Government Financial and Institutional Diagnostic for Development (LOGFIDD): LOGFIDD is both a process and a tool to assess and map the functioning of the local authorities and to assist them in finding appropriate solutions to their management and governance needs. Based upon a diagnostic and an analysis, LOGFIDD serves to identify both the inefficiencies and the potential of local government in economic, financial and organizational terms, and to develop feasible local solutions that improve local management and governance. The outcome of a LOGFIDD is a local pact that is aimed at improving the delivery of basic services.

LEA: The LEA tool enables local governments to analyze their economies' resource endowments, patterns of growth, the strengths and weaknesses of sectors, clusters and value chains, the extent to which business operates in an enabling environment, and linkages with regional, national and international markets and economies.

III. Programme Strategy and Approach

i. Objectives of IELD

IELD is a joint UN programme of UNCDF, UN Women and UNDP. Building on the successful experience and the lessons learned of its predecessor pilot initiative GELD¹³, this new global programme adopts a more comprehensive approach, which can be adapted to the specific needs, conditions and priorities of the LDCs.

As noted, the principal objective of IELD is to support local authorities in the LDCs in fostering women's economic empowerment by creating the enabling environment necessary to achieve and sustain inclusive and equitable socio-economic development, with women's access to local economic opportunities, women's entrepreneurship, and access to public services at the heart of the programme. The programme approach is based on four main components noted in Section II, which can be implemented as a whole, or a combination thereof, depending on demand, the state of the local government system, and the socio-economic and political conditions of the locality and the country.

In the spirit of delivering as One UN, the global programme will utilize the comparative advantage of the three UN agencies as implementing partners, based on their mandates and geographical coverage, and will be assigned roles and responsibilities in each country in which the intervention is deployed, depending on the scope of the project in the target country. In this context, the IELD programme is designed so that each entity assumes leadership in specific component(s) of the global programme, while a joint steering committee at the global level maintains the overall supervision and direction of the programme, with UNCDF serving as Chair.

The IELD programme will identify entry points and options for local governments and utilize the range of financing tools already developed by UNCDF, while its main focus will be to achieve increased access to local economic opportunities and income generating activities by women, facilitating women's economic empowerment.

ii. Lessons Learned

Several important lessons emerged from the GELD regional pilot programme and are being addressed by the IELD programme. Some of these lessons are highlighted below:

More attention needs to be given to the role of national governments and the overall regulatory environment. The IELD programme will involve the ministries in charge of finance, local development, and other appropriate line ministries such as the ministries of planning and for gender from the start. This will help the programme address the lack of policy coherence between commitments towards gender equality and the empowerment of women where such a lack of coherence is found. To do so:

- IELD will build the capacities of key central government line ministries on the importance of gender equality and women's economic empowerment as a key parameter to foster inclusive and equitable growth at the local level.
- IELD will work with key institutions that can better integrate gender-responsive planning, budgeting and resource allocation in national budgetary processes. In some countries, this is still very much controlled by the ministry of finance rather than line ministries such as the ministry of municipalities and local government. In any event, IELD will engage with the relevant ministries to ensure their effective engagement throughout the entire process, and especially in programme implementation.
- National governments provide the overall framework for achieving gender equality, which is often articulated in national action plans and/or gender equality strategies. The IELD programme needs to facilitate better linkages between national socio-economic programmes and policies and gender equality strategies that are already in place in order for the IELD to incorporate inclusive and equitable local development plans into the Medium Term Expenditure Framework of the government.

Local investments need to be sustainable. In the IELD programme, more focus is placed on developing targeted local capital investments that are assigned a set of conditions designed to ensure the sustainability of the intervention. These include, for example, capital investments that can leverage additional resources with widespread multiplier effects and in so doing be self-sustainable. By institutionalizing investments within local level planning and budgeting processes, as well incorporating the interlinkages of such investments with the central government's socio-economic development plans, IELD will aim to systematically unlock fiscal transfers from the central to the local level, while at the same time local revenue generation plans take into account the need for the financial durability of the local investments. In so doing, IELD will focus on the role of local governments in the promotion of local economic development through improvements in the regulatory and business environments. Depending on the types of interventions and the demand from local governments, a menu of financial instruments and entry points are ready to be utilized to achieve this end. For example, by addressing necessary local infrastructure investments through public-private partnerships the innovative SLPF approach can ensure that domestic resource mobilization supports the private sector while at the same time empowering women entrepreneurs and in so doing contribute to

local development.

There is a need to better document and codify best practices. As highlighted in the GELD programme review, “much more effort will be put on the documentation of processes, results, best practices and lessons learned” in IELD. By starting with an LEA¹⁴, combined with a rigorous monitoring and evaluation strategy, IELD will be able to continuously measure progress, adjust targets, and identify lessons learned and good practices that can then be scaled up to other localities and in so doing contribute to the national, regional and global policy debates surrounding the development of the post 2015 agenda. In addition, UN Women’s Knowledge Gateway portal on women’s economic empowerment will further support IELD in disseminating the lessons learned at all levels.

GELD was a “stand-alone” model. GELD was not incorporated into other UNCDF projects and programmes and did not collaborate with other organizations in the UN system such as UNDP. At the same time, “during the course of GELD UNCDF’s local development practice underwent a major change with the corporate decision to place greater emphasis on the finance-related components of UNCDF interventions as opposed to the more general local governance components, which fall more under UNDP’s mandate”.

As a consequence, the IELD programme adopts and at the same time evolves the GELD programme model so that it will be better aligned with the new core approach of UNCDF in order to capture and utilize additional instruments developed by the LDFP:

1. the LEA tool;
2. the PEM system;
3. the LDF; and,
4. the SLPF.

Additionally, the IELD will be mainstreamed across four additional thematic focus areas, including:

- Environment;
- Food security and rural development;
- ICTs; and,
- Youth employment.

As a result, IELD will facilitate the proper mainstreaming of GEEW across the LDFP. Furthermore, as IELD falls under the umbrella of women’s economic empowerment, synergies and complementarities with the Inclusive Finance Practice’s “Access to Women’s Empowerment” programme further enhances the mainstreaming of gender into UNCDF’s interventions.

With regards to strengthening partnerships with other UN entities, IELD recognises that UNDP’s extensive expertise on gender equality and economic empowerment as well as their large country presence is essential to the sustainability and scaling up of the programme. As a result, IELD will be a joint global programme of UNCDF, UN Women and UNDP, with distinctive roles and responsibilities assigned to each entity in the implementation of the programme.

More coherent oversight is needed for programme.

iii. Programme Approach

In addition to building on the successes and the lessons learned from the GELD programme, IELD will incorporate several elements into its strategy to foster women's participation in the local economy, and ultimately contribute significantly to women's economic empowerment:

(1) Creating an enabling environment: This requires responding to local barriers and bottlenecks that hinder women's access to local economic opportunities and income generating activities:

Recognizing, Reducing, and Redistributing Unpaid Care Work: In all LDCs unpaid care work remains the most pressing barrier to women's economic participation and engagement in the labour market. In the absence of basic infrastructure services, the time and energy expenditure by women on unpaid care tasks is staggering. When women spend the majority of their time cleaning, cooking, collecting wood, fetching water, and caring for the children and elderly, it limits their opportunities to participate in the labour force or to engage in other economic activities. It also constrains schooling and participation in decision making processes. Yet unpaid care work remains a largely unseen dimension of human well-being, in that it falls outside the production boundaries of the system of national accounts, is not counted in gross domestic product (GDP), and as a result is not recognized in economic planning, budgeting and investment decision making. However, recognizing unpaid care work will not produce tangible benefits to women if it does not result in interventions to reduce the burdens on women that are created by the way in which unpaid care work is distributed within households. In this context, by examining time use surveys and socio-economic assessments of localities IELD will aim to narrow the unique bottlenecks facing women by identifying capital investments that can reduce women's unpaid care work activities. For example, if women in one locality spend 4 hours a day fetching water, investing in infrastructure projects that provide access to water will save women considerable time, which can be used to engage in economic activities. In fact, the way in which unpaid care work is distributed between women and men can be argued to be one of the most pressing constraints inhibiting the achievement of women's socio-economic empowerment in the LDCs.

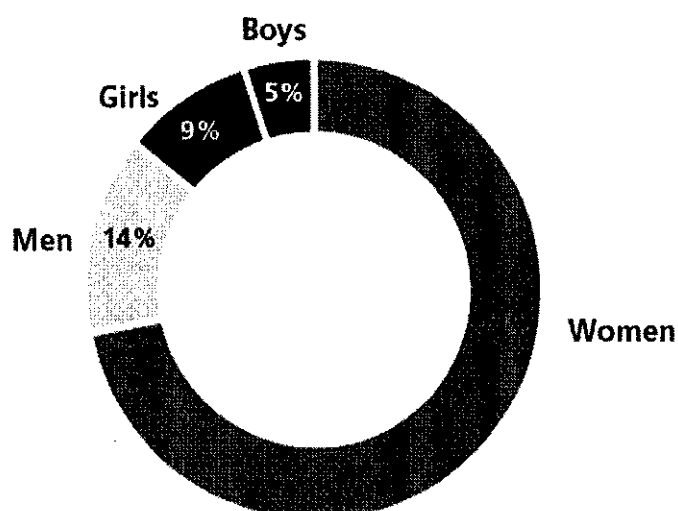


Figure 4: Distribution of Drinking Water Collection by Percentage in Africa (Source: WHO/UNICEF 2008)

Access to productive resources, services and markets: Pre-existing gender roles and customs can result in many basic services provided by local authorities being at best inadequate for women and at worst explicitly favouring men. Tackling the legal, social and economic barriers preventing women from equally accessing basic local services is an important step towards improving female mobility, enhancing the accessibility of basic local services for women, and increasing women's local economic opportunities, all of which can contribute towards woman's economic empowerment. For example, inadequate roads, poor transportation routes to markets, a lack of entitlements to agricultural land, an inability to use productive inputs because of gender biases in terms of subsidies on fertilizers, seeds, and crops, as well as restricted access to financial services can all result in major obstacles to women's economic activity and women's economic empowerment. IELD will identify the most pressing interventions necessary to lessen the burden on women and in so doing provide gender equitable access to basic local services that, by enhancing women's income-generating opportunities, can have a real impact on women's economic empowerment. Moreover, by establishing a baseline at the beginning of the project it will be far easier to evaluate the progress that is being made in addressing the bottlenecks that constrain women's economic activity. Where access to financial services is identified as a key constraint, UNCDF will rely on the programming expertise of the Financial Inclusion Programme Area.

Institutionalization of community participation and engagement in local plans and budgeting through the use of UNCDF's PEM system: Building local capacities to plan, design, and budget gender responsive local services will be critical in sustaining the progress that is made towards addressing barriers to women's economic empowerment. In this context, IELD will build on the successful experience of GELD in utilizing the PEM system to ensure that gender equality concerns are taken into

consideration throughout the local development planning cycle.

(2) Local Economic and Acceleration Interventions: This requires engaging women in the local economy and in income-generating activities.

UNCDF can use its capital investment mandate to support local government in investing in interventions that can have direct impact on women's access to local economic and income generating opportunities. A range of investment vehicles and tools are available and can be used to support local governments to identify, plan, budget, implement and sustain such investments. Thus, through UNCDF, local government can gradually foster a greater degree of gender-responsive investment and gender-responsive finance schemes. According to a mapping exercise done by partner UN organizations in their interventions, as well as academic research and reports, the following investments have yielded significant benefits and enhanced women's socio-economic empowerment:

- Investing in local markets (UNCDF in Guinea and Benin)
- Investing in mobility and access
- Building local storage facilities and transportation mechanisms, including cold chain storage for food preservation ("*Warrantage*" and storage facilities in Benin)
- Investing in business information and vocational training centers (*Maison du Développement* in Senegal)
- Investing in women's business cooperatives and small and medium enterprises
- Investing in schools (Bangladesh and Guinea)
- Agricultural input and extension services, including tools, stock, seeds and fertilizers (Programme on Food Security, in partnership with the Ministry of Agriculture in Benin)
- Water sheds and irrigation schemes (Haiti programme)
- Climate adaptation schemes and prevention (Haiti programme)
- Multifunctional energy platforms: (UNIDO/IFAD electricity in Mali, example in Guinea and Senegal)

As described earlier, UNCDF's capital investment mandate, aligned with its technical advisory services, will help local authorities trigger the larger flows that are necessary to adequately invest, maintain and sustain the identified capital investments that will yield positive multiplier effects to poor women and men. Local economic and income-generating interventions can be identified and built up through the PEM process, with local women and men at the forefront of the discussion. This inclusive "bottom-up" approach will be the key towards community empowerment as well as responding to the need to improving livelihoods.

iv. Programme Outputs

Objective	Description
<i>Overall objective</i>	The overall objective of IELD is to support local authorities in the LDCs to foster women's economic empowerment by creating the enabling environment necessary to achieve and sustain inclusive

	and equitable socio-economic development, with women's access to local economic opportunities, women's entrepreneurship, and access to public services at the heart of the programme.
Outcome	Increased access to gender-responsive services, gender-equitable productive resources, and gender-responsive investments in 8 countries by 2017.
Output 1	Establishing the baseline through country mapping and LEAs to identify the entry points for programme interventions
Output 2	Strengthening local capacity for the promotion of local economic development, women's economic empowerment, and improved gender-responsive service delivery
Output 3	Develop and implement innovative gender-responsive financial approaches to local economic development in targeted sectors, with specific attention being paid to gender-equitable development and women's economic empowerment
Output 4	Increase knowledge sharing and achieve coherent policy, legal and regulatory improvements through lessons learned, to support Outputs 1 through 3 in additional countries

Objective 1: Setting the Baseline and identifying entry points for interventions [UNCDF/UNDP]

Expected Output 1.1: *Mapping of the national socio-economic policy and institutional contexts*

This involves reviewing available literature and documentation and undertaking a concise mapping of national socio-economic policies and institutional contexts, with the aim of identifying a set of national policies, plans and budgets that can be engendered at the national and local levels, in part by identifying the interlinkages and entry points between central and local government.

Expected Output 1.2: *Applying the LEA tool with a gender lens*

As part of its Global Programme on Local Economic Development, UNCDF developed the comprehensive LEA tool, which enables local governments to analyze their economies' resource endowments, patterns of growth, the strengths and weaknesses of sectors, clusters and value chains in their localities, the extent to which an enabling environment for business is witnessed, as well as the extent of the linkages with regional, national and international economies. The LEA can be tailored to have a specific emphasis on evaluating the bottlenecks that hinder women's participation in the local economy, including any institutional and/or legal barriers that might be present, and thus establishing a baseline for designing interventions, determining the scope of the investments that are required to support the interventions, as well as evaluating the effects of the interventions. In countries where data is already available, a rapid assessment can be conducted of gender-specific constraints that impact upon the LEA. Time use data, if available, can be used within the context of the LEA tool.

Expected Output 1.3: *Assessment of local government capacities*

Amongst the most pressing challenges in local development interventions is the lack of a comprehensive evaluation of local capacities within the context of the overall socio-economic and regulatory environment governing local authorities. Due to these challenges, development interventions must be built with realistic objectives and expectations, especially with regard to the capacity of local authorities to deliver targeted interventions and services to citizens.

To respond to these assessment needs, UNCDF will combine the LOGFID diagnostic tool with the LEA tool in order to provide an evaluation of local management and governance, and in particular the organization and functioning of communities, resources and management, as well as the economic dimension of local development. LOGFID can also be used to take corrective actions designed to improve local management, revenue mobilization and utilization, and the quality of services rendered to citizens, most especially on gender issues. This improvement in both the design and management of services will take place in part through the streamlining of budget management that is witnessed in the rationalization of budgetary allocations, better monitoring of budgetary execution, and improvements in the quality of spending.

Objective 2: strengthen local economic governance in order to promote local economic development, women's empowerment and improved service delivery [UNDCF/UNDP/UN Women]

Expected Output 2.1: *Build the capacities of local governments for inclusive and equitable local development interventions and investments, with women fully participating throughout the process*

Achieving this output requires performing some, all or more than the following activities¹⁵:

- Building the capacities of central government officials in key line of ministries, such as the ministries of finance, economy, municipalities and local government, gender, education, agriculture and the like, with the aim of incorporating local gender perspectives into national development frameworks.
- Building the capacities of local authorities in the socio-economic development and inclusive and equitable growth that arises through women's economic empowerment. Training modules will be developed to build the capacities of local authorities on an array of key gender-responsive policy mechanisms, including policy design and development, budgeting, and financing, along with a more general capacity in gender-aware socio-economic policy analysis.
- Analyzing the LEA from a gender perspective.
- Analyzing the LOGFID diagnosis and its assessment of local management, governance and capacity, from a gender perspective.

Expected Output 2.2: *Identify entry points in local government plans, budgets, and investment frameworks to systematically integrate gender-responsive measures in the design, planning and budgeting of gender-responsive local development investments.*

Through UNCDF's local development PEM model, this expected output will detail some of the following, depending on the situation and needs at the local level:

- Identifying and addressing the major bottlenecks that hinder women's participation in the local economy, such as access to basic local services including water and energy; the burden of unpaid care work; and the institutional and legal framework.
- Identifying locally-driven measures to recognize, reduce and redistribute the burdens placed specifically on poor women.
- Identifying locally-driven measures to lift the institutional and legal barriers that restrict women's participation in the local economy
- Providing informed technical assistance and guidance to design gender-responsive local economic development interventions, with local women's participation at the forefront of the discussions.
- Providing technical assistance and guidance to properly plan the identified gender-responsive interventions.
- Providing technical assistance to appropriately integrate gender-responsive interventions into the appropriate local level financial framework. Financial programming is usually addressed through three instruments: 1) a local Medium Term Expenditure Framework (MTEF-L); 2) an annual investment plan (AIP); and 3) the local budget. The three frameworks are distinct but intrinsically linked by their financial nature and their programmatic character. The introduction of a minimum percentage of gender-responsive actions into the MTEF-L and the AIP will ensure that gender issues are taken into account by programming concrete actions involving local governments in activities specifically oriented towards gender.

Providing technical support and guidance to formulate comprehensive gender responsive budgets that take into consideration the sustainability and maintenance of the investments by projecting necessary financial flows of revenue. Gender responsive budgeting is an important step in clearly translating the commitment of a local government towards gender-responsive actions and investments with dedicated revenues and targeted expenditures in budget lines.¹⁶

- Collecting sex-disaggregated data to the fullest extent possible.
- Supporting the promotion and implementation of a national strategy for gender equality and equity (where it exists) in order to affirm women's rights and gender equality.
- Generating the knowledge and disseminating the tools and best practices that support national policies promoting gender equality.
- Connecting local authorities and women's groups to UN Women's Knowledge Gateway portal on women's economic empowerment, in order to connect the local to the global.

Objective 3: Develop and implement innovative finance approaches to local economic development in targeted sectors, with particular regard for gender-responsive development and women's economic empowerment [UNCDF]

The programme will utilize targeted capital investments at the local level that will:

- Ensure a large audience of women intended beneficiaries, with tangible impacts designed to unlock women's potential in the local economy
- Focus on investments that are sustainable by both leveraging a sufficient

return on the investments as well as having widespread multiplier effects. Possible examples include investments in market development and access, cooperatives, and vocational training centres.

- Focus on investments that can be scaled up to other localities and to the national level. By utilizing the niche capabilities and capacities of UNCDF as a capital development fund with substantial expertise in local development finance, UNCDF aims to support local authorities and central government to design, channel and increase fiscal transfers from the central government to local government so as to adequately execute the targeted interventions. UNCDF will support the mobilization and allocation of investments directed at the targeted interventions, and account for these increased flows within the local institutional environment and its associated local institutions of government. Through a combination of its seed capital, aligned with its technical advisory services, UNCDF will help local authorities trigger larger resource flows to address their financial, capital and capacity constraints, with the objective of adequately responding to the needs of poor women and men in an equitable way.

To achieve this, UNCDF can provide a menu of financing tools and options (Outputs 3.1-3.3), which can be adapted and applied in IELD, depending on the kind of intervention at the local level, the demand from local government, and the socio-economic arrangements and institutional assessments found in the targeted localities.

Expected Output 3.1: LDFs used in partnership with local governments

IELD will utilize UNCDF's long experience with its innovative LDF financing tool. LDFs are capital transfers provided to local government financial systems, either directly to the local bodies themselves, or as a proxy intergovernmental fiscal transfer that reach local governments through central government channels. LDFs can be a form of direct earmarked budget support or can be ring fenced for specific activities. The use of Minimum Conditions / Performance Measurement (MC/PM)-based funding systems provide strong tools for improving local government performance while encouraging compliance with regulations, identifying capacity gaps in different functional areas, and strengthening general monitoring and evaluation systems through annual assessments.

UNCDF's investment mandate provides flexibility in offering a large variety of fund flows, as well as sound and well-established public financial management and accountability arrangements. Depending on the arrangement, UNCDF will work with government counterparts and programme partners to identify the appropriate financing tool and fund flows from the central government to the local authorities.

Where applicable, MC/PM systems can strongly enhance government performance on gender equality, women's economic empowerment, and compliance with the objectives of IELD, by:

- Responding to the bottlenecks that hinder women's participation in the local economy;
- Leveraging UNCDF's seed capital investments, to identify and create an

appropriate capital transfer system for financing targeted gender-responsive capital investments and interventions;

- Ensuring that local authorities have the appropriate absorption capacities and competencies to receive and deliver;

- Sustaining local investments through effective gender-responsive public financial management measures to address recurrent expenditures, own source revenues, and procurement and service delivery at the local level, including working with both contractors and procurement departments.

- Providing performance incentives. Where possible, and depending on the investment mechanisms in place and the conditions of the localities, an array of performance monitoring measures and financial incentives will be negotiated with governments in order to ensure the successful implementation and sustainability of the desired interventions and investments. The establishment of a system of rewards and penalties linked to the targeted performance of gender-responsive investments and the performance of local government in fostering a gender-responsive governance environment links financial incentives to the measurement of local performance. These will comprise, amongst others: i) negotiating with the government around a set of increased financial incentives for improved service delivery and responsiveness to gender equality measures, with the aim of increasing allocations to local governments based on local capacities to initiate and implement gender-responsive plans and interventions; ii) earmarking resource flows to ensure that a high percentage of investments are directed in a gender-responsive way; iii) targeting funds that are predicated upon promoting the training of women and hence strengthening women's capacity; iv) creating opportunities for local authorities to receive increased donor funds by competing among other IELD pilots for a "gender seal" that signifies gender-responsiveness.

- However, the evaluation of performance must go beyond the technical by using performance evaluation to foster political engagement. To achieve this, IELD can promote the creation of a committee comprising the prime minister, the ministries for local government, finance and women's affairs, local councillors' associations, and representatives of civil society responsible for the advancement of women. This committee will in charge of allocating resources on the basis of gender performance, and will compile an annual report for publication. To ensure proper functioning of a performance measurement system, a mechanism for gathering and processing of information must be set up. Here it is important to ensure a weighting that reflects a commitment to actions for gender equity.

Expected Output 3.2; SLPF, in partnership with local governments and the private sector

This financing approach is based on the LFI programme, which provides structured non-recourse financing solutions, in the form of collateral guarantees, for development projects as part of local development programmes¹⁷. It is currently operational in Africa and can be

further developed and tailored for this global programme.

The aim of the LFI approach is to unblock sources of local domestic finance for small and medium infrastructure projects by reducing private sector risk. UNCDF has been piloting the application of such practices in the field of project finance. While these approaches have been successfully employed to access long-term private finance for infrastructure projects worldwide, this approach is now being applied to small scale projects in LDCs.

The LFI approach is structured around selective, strategic and catalytic local economic development projects. These projects are selected because of their key role in unleashing the economic potential of local economies, and include both traditional and industrial infrastructure projects such as energy projects, transport, warehouses, and food processing plants. Projects are identified through an inclusive, participatory process, and their implementation requires activation of all LFI programme components:

Project development activities: a) project identification derived from UNCDF's local economic development approach and the LEA; b) project development, including feasibility studies, environmental and social assessments, project design, equipment selection, and negotiation of the construction, input, output and project management contracts, and c) structuring of the project's financial arrangements.

Credit enhancement support: this is designed to enable a jumpstarting of the process of project identification, development and financing. UNCDF provides resources from the LFI Fund, other seed capital mechanisms, guarantees and first loss facilities in order to leverage resources from the domestic financial sector, including commercial banks and institutional investors, in order to facilitate investments in strategic, smaller scale, traditional and industrial infrastructure projects.

Capacity-building activities: this provides training and the appropriate tools for public and private stakeholders to facilitate finance, project development, and business-enabling environments. For the public sector, capacity is enhanced because of the use of tools that identify impediments and possible remedies, track accountability, and facilitate national scaling up. As part of LFI capacity building, the preparation and certification of local Technical Service Providers extends high quality capacity-building services to local banks, local and national level government officials, and project sponsors such as farmer's associations.

Performance tracking activities: this provides the benchmarking needed for the dissemination of programme components as well as the incentives needed to propagate the replication of programme components both nationally and internationally. Performance tracking delineates the type and amount of financial transactions involved in an intervention, including the degree of leverage from the targeted use of credit enhancement and official development assistance, and in so doing facilitates transparency.

Through the incorporate of a comprehensive gender audit across all domains of the LFI, the utilization of LFI in the IELD programme will bring into focus the need to increase women's participation as active members of the community, within institutional arrangements that are

put in place to support the promotion within target local government structures of inclusive and equitable local economic development. This will also ensure that the views of women producers, consumers, entrepreneurs and women active in civil society are equitably represented at all levels of decision making. The local economic development investments directly financed or leveraged through the LFI approach will increase women's access to productive resources and improve the business-enabling environment for women and the businesses they establish and manage, and others within which they are equitably employed. As well, the performance tracking tools designed for monitoring local economic development financing will be designed to reflect the programme's success in accomplishing these gender-responsive goals.

Expected Output 3.3 Government to Person Payments

Cash transfers are government to person payments (G2P). These micro transfers can be directed through central or local government to individual beneficiaries as conditional payments, unconditional payments, or as compensation payments. They can be paid out through a number of mechanisms, including outlets such as post offices or shops, as well as through mobile money or payment cards, among others. In many models, payment is conditional upon undertaking certain behaviour such as vaccinating children or ensuring children attend school; in some models payment is made regardless of behaviour, and is unconditional. Finally, in a third model payment is made as compensation for the performance of specific work. By providing resources on a small scale this innovative financing tool provides poor women and men with increased leverage and opportunities to the exit from the cycle of poverty. When carefully designed, the account the recipient receives the funds into can provide an 'onramp' to financial inclusion and access to other financial services.

G2P is rapidly expanding in developing countries, in part because of the notable success of Brazil's *Bolsa Familia* programme in significantly reducing inequality while at the same time cutting the numbers of the poor. Building upon the success of Mexico's *Oportunidades* programme,¹⁸ *Bolsa Familia* provides a small monthly transfer to households below a specific per capita income threshold as long as children under 6 are immunized, children between 6 and 15 attend school 85 per cent of the time, and children and mothers undertake regular health checks. Almost 50 million Brazilians benefit from *Bolsa Familia*; impact evaluations indicate the the transfer has been used to meet everyday household expenses, boosting the local market, and has resulted in improvements in child health and education as well as increases in labour force participation.¹⁹ It is estimated that since 2001 between 16 and 21 per cent of the drop in inequality in Brazil is attributable to *Bolsa Familia*, while 8 per cent of the reduction in poverty in the country is a result of the programme, at a cost of 0.4 per cent of GDP.²⁰

Experiences with G2P unconditional cash transfers are more limited. In South Africa, the introduction of social pensions for the elderly, covering 2.4 million households, and the Child Support Grant, covering 10 million children, has led to changes in people's lives, especially in rural areas. Poverty has been cut by 12 per cent and inequality by 3 per cent. Not only has child health improved markedly and school enrollments gone up, but rural markets have been stabilized, reducing risks facing farmers and enhancing their livelihoods.²¹ The cost however

has been expensive: South Africa's old age pension costs the equivalent of 1.2 per cent of GDP, and the payment is more than twice the median per capita income. In Namibia, evidence from a pilot project indicated that unconditional cash transfers, in the form of a partial basic income guarantee, resulted in increased self-employment in retailing, brick making and the production of clothing, as well as increased entrepreneurship. Total income improvements exceeded the amount of the grant.²²

In terms of G2P that take the form of compensation payments, the largest programme in the world is India's Mahatma Gandhi National Rural Employment Guarantee (NREG), which in 2010 – 11 reached more than 53 million landless labourer and marginal rural households. NREG provides a legally-guaranteed 100 days of paid employment to every rural adult at a daily or piece work rate that is equal to the state's minimum wage, or around US\$1.25, at a cost of US\$7.64 billion, which was equal to 0.6 per cent of GDP.²³ Employment is in unskilled manual work, and commonly involves public infrastructure. The effectiveness of NREG varies by state capacity, but the scheme demonstrably benefits the poorest, does exert upward pressure on the very low wages offered by private employers in the countryside, improves agricultural productivity, as well as acting as a form of unemployment insurance.

The World Bank has recently published some examples of the successful use of cash transfers in promoting women's empowerment. For example, In Malawi, a cash transfer experiment produced striking results. The trial took place in a densely populated district of Southern Malawi, with high dropout rates and a marked prevalence of Human Immunodeficiency Virus (HIV) among school-age girls. Grants were given directly to adolescent girls aged 13-22, and led to subsequent delays in the onset of sexual activity and substantial declines in teenage marriage and pregnancy. It also resulted in a decrease of over 60 per cent in the prevalence of HIV and HSV-2 (genital herpes). School enrollment, attendance and grade attainment also improved. Efforts are now underway to replicate this initiative as part of the Adolescent Girls Initiative²⁴. Cash transfers targeted at women in this way clearly enhance autonomy.

In terms of G2P programmes that have just been noted, there have been clear examples of women's empowerment. A gender audit of *Bolsa Familia* found that the programme enhanced the position of women in the household because the cash transfer was regular, whereas for other members of the household cash incomes were often irregular. The audit also found a statistically significant increase in female labour market participation amongst those in the programme.²⁵ In terms of the South African pension, women receive it 5 years before men and have a longer life expectancy, meaning that they receive it for substantially longer periods of time, with strong implications for the bargaining position of women in their households.²⁶ As for NREG, evidence indicates that women participate in the programme significantly in excess of the one-third quota that was reserved for them, in part because wages for work done by women under NREG can be three times that received from a private sector employer.²⁷ In some households, but not all, participation in NREG has increased female control over consumption spending. Thus, even when G2P programmes do not explicitly target women there can be improvements in their life circumstances arising from their participation in G2P programmes. Moreover, the increased incomes produced by G2P programmes can allow

women and men to access other financial services, increasing their leverage and opportunities to the exit from the cycle of poverty.

G2P is a UNCDF financial instrument through which local governments can play a pivotal role in ensuring the adequate distribution of cash transfers to targeted women beneficiaries for market development, livelihood improvements and economic growth. Social safety net programmes that use a G2P approach can help people reach the minimum level of income that allows them to increase their economic activity, and in so doing G2P can be instrumental in facilitating women's economic empowerment by enhancing their engagement in the local economy.

Expected Output 3.4 *Performance-Based Grants and loans for gender-responsive investments*

This component will aim to refine UNCDF's long experience in evaluating the achievements of Performance-Based Grants (PBGs) and loans so as to be able to assess, reward and penalize the performance of local communities in the various dimensions of service delivery that are related to gender issues. PBGs are well established to enhance local government performance in:

- core administrative functioning as well as pre-defined basic statutory requirements that are placed upon local administrations;
- efficient and effective capacity building that is demand-driven to meet specific needs;
- service delivery, in terms of efficiency, implementation and sustainability;
- public financial management of the planning process, procurement, accounting and auditing, and outcome assessment;
- mobilizing and enhancing own-source revenues;
- coordinating relationships with development partners;
- transparency and horizontal and vertical accountability.

PBGs also enable local governments to improve performance in cross-cutting issues such as social inclusion, poverty targeting and the environment. In this light, the introduction of legal rules and incentives embedded within PBGs designed to enhance gender equity will be done in order to make the elected councils of local governments responsible for the establishment of concrete actions on gender. The introduction of both financial penalties and incentives, through PBGs of sufficient monetary value to motivate activity, to increase gender-responsive policies, projects and investments will bring important gender dimensions to the accountability of elected councils.

The design of effective gender-responsive PBGs requires some key preconditions:

- a political commitment from central, regional and local government authorities to the gender-responsive objectives and processes of an intervention
- a common understanding between central and local government of the gender-responsive goals of an intervention, the targets attached to it, and the performance measures that are used, reached through a credible and consensual assessment process
- unambiguously defined, consistent, timely but less onerous reporting processes
- credible, objective and unambiguous performance indicators that are within the

control of local government and which capture

- organizational performance
- fiscal performance
- accountability and transparency
- financial management
- gender-responsiveness
- other cross-cutting issues
- a robust, effective and timely monitoring and evaluation system
- accountability of individuals and institutions, with sanctions imposed for not meeting gender-responsive targets
- a willingness to periodically revise performance indicators

In order to evaluate compliance with the performance indicators around PBGs the central government should send out a circular or lay down administrative rules requiring local governments to include an appendix to their management accounts or annual report detailing the gender-responsive actions implemented by them in the course of the year. Thus, accountability will be further improved through the publication of gender-responsive results by local governments to national institutions and to their citizens. It is at this level that the participatory planning process, that links elected officials to the actions identified by the community, can come into play.

UNCDF's commitment to the use of PBGs thus seeks to enhance resource allocations assigned to gender-responsive inclusive and equitable local economic development by assessing the initiatives and performance of the local state and through that, by implication, the private sector.

Objective 4: Increase knowledge sharing and achieve policy, legal and regulatory improvements through lessons learnt, to support Outputs 1 through 3 in additional countries [UN Women/UNDP]

The main goal is to increase knowledge management and policy coherence through advocacy and networking to:

- Provide a special emphasis on fostering knowledge management, establishing best practices, and generating lessons learned that can be utilized to scale up the IELD model of intervention to other localities and countries
- Integrate a strong focus on gender disaggregated data and statistics, with the aim of measuring, improving, and evaluating progress through IELD. The data will also help to generate the evidence needed to influence the national, regional and global debates on addressing inequalities in the post 2015 discussions and beyond.

Output 4.1: Develop training modules on IELD with an emphasis on women's economic empowerment.

IELD will develop training modules that emphasize the policies, practices and programmes that facilitate women's economic empowerment. The training modules will be targeted at local and central government officials, who are responsible for the design, planning and policy making

processes. Special emphasis will be placed on officials from the national ministries of planning, economy, finance, and municipalities, as well as the central bank, while at the local level emphasis will be placed on officials responsible for the design, planning and implementation of socio-economic policies, plans and budgets in the targeted localities.

To achieve this, UNCDF will utilize three complimentary and interconnected training strategies:

1. Utilize UNDP's/UN Women's training modules on Gender Responsive Economic Policy Management (GEPMI) to build the capacities of central government officials while developing new modules on gender equitable local development and gender equality in local development financing. By doing so, UNCDF and its UN partners will build on the successful experience of GEPMI in Africa, Asia and the Middle East, to further tailor and focus the training modules to place local development finance and the empowerment of women at the local level at the heart of the capacity building objective.²⁸
2. With the support of UNDP/UN Women, formulate new training modules targeted at local government officials with a specific focus on local socio-economic development and inclusive and equitable growth through women's economic empowerment. The training modules will aim to build the capacities of local authorities in understanding and integrating gender analysis into their socio-economic policies, budgeting, financing tools, and related areas of work. Topics can include: gender and economics, gender and local policy analysis, gender and data, gender and poverty reduction strategies, unpaid care work, gender and employment, gender and local development finance, gender-responsive budgeting, women's entrepreneurship and access to finance, and gender and sustainable local economic development.

UNDP/UN Women have developed a large network of gender economists and trainers in Asia and in Africa who can be deployed to deliver the capacity building workshops on behalf of the partners. A training of trainers' workshop will be organized on a yearly basis to continuously update training materials and ensure quality among the network of trainers. Currently the qualified trainers include a network of more than 80 trainers in Asia and Africa, of which 10 core trainers are frequently engaged in Africa on behalf of UNDP/UN Women and 6 core trainers are frequently engaged in the Asia - Pacific region. Those core trainers are backed by a group of internationally-recognized gender experts who continue to guide their performance and knowledge. IELD will depend on the leadership of UNDP/UN Women to carry out the capacity building components.

3. Institutionalize the knowledge and training modules in each of the IELD countries. Building on the experience of UNDP, IELD will seek to build the capacities of local training facilities in each country and develop a network of qualified national and regional gender economists, local development experts, and specialists who will become trainers of the modules. The local training facilities will then be able to provide continuous training to local authorities and the central governments on gender-responsive inclusive and equitable local development. The training modules will also be used to build the internal capacities of UNCDF staff on gender in local development, thus further enhancing the mainstreaming and

integration of gender equality and the empowerment of women in the work of UNCDF. UNDP/UN Women will lead in this process.

Output 4.2: *Connecting local stakeholders to national and global networks*

By building the capacities of central and local governments on the importance of integrating gender equality as key parameters in national and local development frameworks, IELD hopes to bridge the gap between central and local development priorities, investments and pro-poor interventions. At the same time, IELD will partner with UN Women's Knowledge Gateway portal on women's economic empowerment to connect central and local authorities with gender experts, academics, activists, and government officials in the areas of women's economic empowerment. This is consistent with the overall objective of IELD to support local governments in fostering women's economic empowerment by creating the enabling environment and the sustained financing schemes necessary to foster inclusive and equitable gender-responsive economic development.

v. Strengths and Capabilities of Participating Organizations

UNCDF

The IELD programme will build on UNCDF's internal strengths and comparative advantages in the area of local development finance, local economic development and gender equitable local development.

Guided by its GEEW strategy, along with its programmatic focus on women's economic empowerment, UNCDF has made it a priority to ensure that gender is a cross-cutting theme which is necessary to secure a future of equal rights, equal opportunities and progress for all.

- UNCDF will use its mandate as the only UN agency to provide risk capital to the public and private sectors and deploy its accumulated knowledge, technical expertise, networks and presence across 40 LDCs in sub-Saharan Africa and Asia-Pacific to effectively implement IELD in a gender-responsive manner.
- UNCDF's investment mandate provides flexibility in offering a large variety of fund flows, as well as well-established and state-of-the-art public financial management and accountability arrangements. Depending on the arrangement, UNCDF will work with government counterparts and programme partners to identify the appropriate financing tool and fund flows from the central government to the local authorities to unlock, leverage and increase financial flows for gender-responsive local policies, programmes and projects.
- UNCDF's seed capital investments will further help to unlock, leverage and increase capital flows to local institutions while working closely with local governments to mobilize, allocate, invest and account for the gender-responsiveness of these increased flows.
- UNCDF has extensive experience in managing successful global and regional thematic programmes, including Microlead (US\$60 million programme budget),

YouthStart, Mobile Money for the Poor (MM4P), the Pacific Financial Inclusion Programme (PFIP), and the Local Finance Initiative.

- UNCDF has helped build strong public sectors globally using sound financial management to improve the allocation of scarce public resources and the better delivery of basic services -- essential components of sustainable, inclusive and equitable growth. UNCDF experience in public finance for local development includes relevant experience in:

- Supporting decentralization and building long-term local government capacities for the effective planning, mobilization, budgeting, delivery and accounting of public resources.

- Strengthening public financial management and investment.

- Promoting local innovation and developing local sources of revenue. UNCDF also helps to develop instruments and capacities for local governments to mobilize their own revenues (e.g. fees, taxes, public private partnerships) to complement central government resources.

vi. Sustainability

Sustainability of the IELD programme has been addressed through a number of strategies:

- First and foremost, it is sustainable because of its linkages and/or integration with existing, institutionalized interventions of UNCDF. IELD will buttress these interventions by focusing on defining the sustainable role of local government towards the promotion women's economic empowerment, while at the same time making every effort to avoid the introduction of roles and responsibilities that are not appropriate or sustainable for assignment to local government.

- The sustainability of gender equity outcomes is addressed through the focus on planning, budgeting, implementation and monitoring, combined with well-targeted capital investments which are built on a comprehensive set of criteria that ensures the feasibility and long term sustainability of the investments.

- IELD places special emphasis on the capacity development that fosters the requisite knowledge and skills. In this context, the choice of local governments for the promotion of gender-responsive interventions will be sustained through capacity building and ensuring that mechanisms that are established are mainstreamed within the local government system.

- The focus on enhancing the business environment requires measures to ensure that infrastructure is established, properly operated and maintained. This is complemented by facilitating healthy financial flows within the local government planning and budgeting cycles that is also in line with the socio-economic development plans of the local authorities and their interlinkages to national strategies.

vii. Cross Cutting Issues

Youth employment

The programme will contribute to youth employment, specifically among young women, in various ways. Firstly, the objective of expanding opportunities for youth employment will be

embedded in the various tools that the programme will introduce at the local level for assessing the characteristics of a local economy and its potential for inclusive and equitable growth as well as other tools used for generating inclusive and sustainable socio-economic strategies. This will ensure that local strategies will address the specific bottlenecks faced by youth, and especially female youth, from entering into the local economy. Secondly, the local economic funds access criteria will ensure that youth employment is a high priority in the projects that it finances and in other projects for which that the programme will leverage funding from other sources. Thirdly, youth will benefit from the longer term improvements in target local economies as a result of increased investments in priority productive sectors and value chains, leading to increased employment opportunities. The youth division of UN Habitat has expressed interest in a framework for collaboration with UNCDF to systematically strengthen youth-related interventions throughout IELD's PEM cycle. Discussions with UN Habitat are also underway to further strengthen the integration of youth empowerment as part of IELD's country level interventions.

Environment

The IELD programme will ensure that all local economic development investments place environmental sustainability and the effective management of a locality's natural resources as the highest priorities when seeking to achieve equitable and inclusive economic development. Investments through the LDF will only be channelled to projects and interventions that establish the delicate balance of environmental sustainability and the development of a local economy. In addition to the environmental sensitivities of the capital investments, IELD will also address major bottlenecks resulting from climate change that hamper women's participation in the local economy. For example, the impact of desertification, as a result of land degradation, deforestation, and drought, among other factors, is placing a further burden on women's unpaid care work because women are travelling longer distances to fetch water or to collect wood, which in turn further contributes to their inability to attend schools or to engage in the local economy. By responding to such bottlenecks, IELD will provide the enabling environment necessary to reduce the time burdens on women and in so doing provide them with the opportunity to engage in the local economy.

Food security and rural development

As the majority of the world's poor are in rural areas, and as the majority of these people work in agricultural activities, and as the majority of those working in agriculture who are poor are women, IELD's strategic labour acceleration investments targeted towards building food storage facilities, for example, or in securing agricultural inputs for the production cycle, will be instrumental in increasing women's agricultural outputs and thus contributing to economic empowerment and food security.

The Women's Green Business Initiative²⁹ of UNDP can also be instrumental in leveraging efforts to foster women's participation in green businesses in rural areas. As recently stated by UNDP, local institutions often take a central role in promoting green job opportunities in rural settings. Local government units, non-governmental organizations, and formal and informal local organizations such as cooperatives and cultural groups each have their part to play.

Several local governments have captured green job opportunities by introducing programmes coupled with training schemes targeted specifically at women and youth—initiatives that also serve to address the high unemployment disparities that exist within their localities. Successful initiatives have been rolled out that addressing water security in South Africa, the fisheries sector in the Philippines, and the development of community gardening for food security and income generation in poor municipalities in Senegal, Bolivia and Argentina, to name a few³⁰.

ICTs

New technologies in the information and communications arena, especially the Internet, have been seen as ushering in a new age. However, even with the rapid spread of cellular telephony access to new ICTs is still a distant dream for the vast majority of people. LDCs, and particularly rural populations, have largely been left out of the information revolution, due to a wide range of barriers, including the absence of basic infrastructure and the lack of demonstrated benefits from ICTs to address ground-level development challenges. These barriers pose even greater problems for women, who are more likely to be illiterate, and who lack opportunities for training in ICT skills. Moreover, although ICTs have brought employment gains for many women, patterns of gender segregation are being reproduced in the information economy where men hold the majority of high-skilled jobs and women are concentrated in the low-skilled jobs.

The IELD programme will take into consideration wherever possible recommendations to address ICT in gender and development. For example, IELD could:

- Support local governments in formulating ICT policies with a strong gender perspective, engaging with civil society and gender and ICT experts in these areas.
- Support local governments to integrate ICT into local gender strategies and/or specific programmes.
- Support local governments to implement targeted gender-sensitive ICT investments.

IV. Geographical Coverage

In terms of geographical coverage, the three IELD implementing partners will initiate a mapping exercise with the aim of identifying an initial list of LDCs where substantial progress has been made, by the partner agencies, through components similar to those used in the IELD programme, towards gender equality and women's economic empowerment at the local and national levels. This would include the five countries where UNCDF and UN Women piloted the GELD initiative, as well as the countries where UNDP/UN Women's GEPMI programme has been implemented. Central to this mapping exercise will be the availability of time-use data, that will further strengthen the selection process for inclusion in IELD.

The identified list of countries from the mapping exercise in Africa and Asia will provide the basis for the priority countries which are to be selected for the global IELD programme for the first two years. However, components of the global programme can also be implemented upon demand by LDC governments where the available resources are sufficient.

Additional selection criteria for localities which can be used include:

- Countries where local governments have a strategy to promote gender equality
- The existence of a national development and gender equality strategy
- A country with an existing action plan to manage the national development and gender equality strategy
- Countries where sectoral ministries are engaged in the implementation of the action plan, such the ministry of economy and municipal affairs.
- A country where a number of women champions and entrepreneurs networks are in place or are under development.

V. IELD Inception Phase: Results and Resources Framework (December 2013-December 2014)

Outcome indicators, baselines and targets	Outputs: Contributing outputs to IELD Global Programme	Planned Activities	Detailed Breakdown	Implementing agency/Don or	Indicative Resources US\$	Dec 2013 – Dec 2014	Total
	Output 1: Setting the baseline (country mapping and LEA) identifying the entry points for programme interventions	- Develop a gender responsive Local Economic Assessment tool - Develop a gender LEA Rapid Assessment in countries where data is already available	- LED Assessment Tool - Gender and Economic Policy Management Experts Consultancy (\$21,000) - LEA Rapid Assessment Tool - Gender Economists Expert Consultancy (\$10,000) - Testing of assessment tools (\$14,000)	UNCDF Donor: UNCDF/ SIDA	\$45,000	x	\$45,000
	Output 2: Strengthening local governance in order to promote local economic development, women's empowerment and improve service delivery	- Undertake a mapping exercise to identify 5 countries (at least 3 in Africa with possibility of 2 in Asia) to rollout IELD based on the UN entities previous interventions, availability of resources and combines strengths in the countries of interventions as well as country buy ins. - Identify and Develop capacity building training modules on gender and local development at the Local level, including on unpaid care work, gender and the economy, labor markets, planning,	- Examination of refined countries based on submitted country proposals: Missions to refined selected countries to undergo Work Plans and Project details, management arrangements and identified localities. (\$50,000) - Local Economic Development Training Modules - Contracting of International Experts for Modules Formulation (\$40,000) - Research Consultant (\$20,000)	UNCDF Donor: UNCDF/ SIDA	\$185,000	x	\$185,000

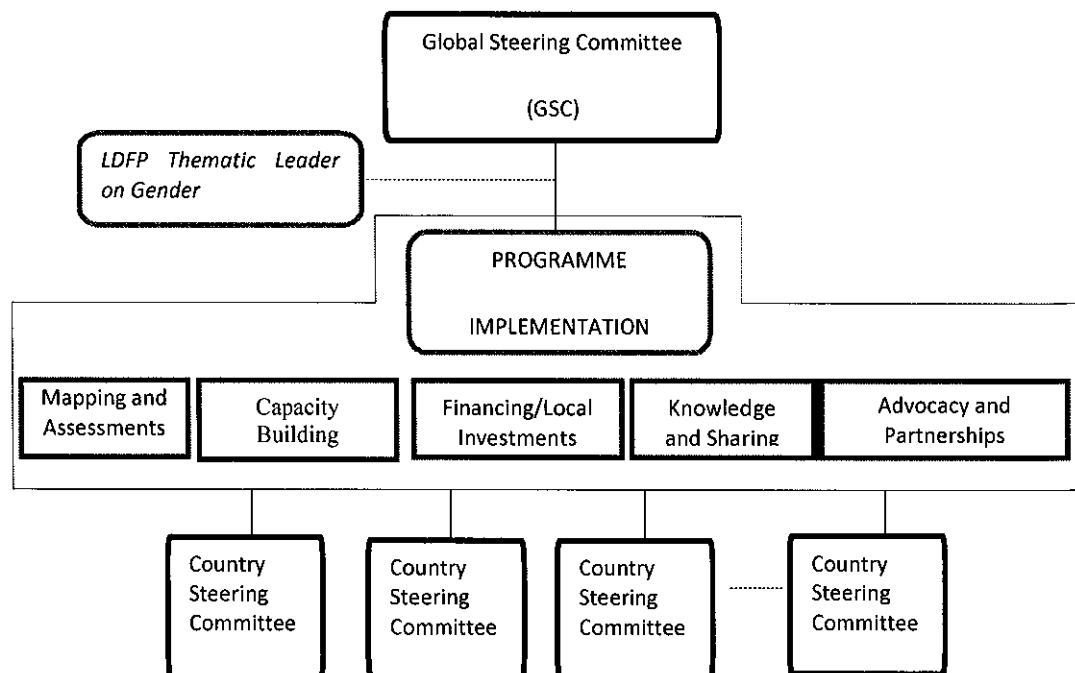
		budgeting, implementation and monitoring and evaluation among others 3. Tailor UNDP's GEMPI modules to include a training course on gender and local economic development / finance targeted to central government officials	- Validation (circulation) (\$2000) - Editing and Printing (\$4000) - meeting with experts (\$6000) 3. Tailor of GEPMI - Contracting of International Experts (\$20,000) - Research Consultant (\$15,000) - Validation (circulation) (\$2000) - Editing and Printing (\$4000) - meeting with experts (\$6000)				
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Output 3: Develop and implement innovative finance approaches to local economic development in targeted sectors with particular regard to gender development and empowerment	1. Engender UNCDF's financing tools the LDF, LFI and G2P with clear indicators on the output and the outcome. 2. Identify a list of potential investments that can be implemented under each financing tool that contribute to the objective of IELD.	1. Engendering financing Tools - Contracting of International Experts LDF Tool (\$20,000) G2P (\$20,000) LFI (\$20,000) 2. Potential Investments: Missions and meeting with stakeholders (Potential Countries) - Bangladesh LFI (\$8,000) - Senegal PADEL (\$8,000) - Benin LDF/Food Security (\$8,000) - Zambia LDF (\$8,000) - Bhutan (social protection) (\$8,000)	UNCDF Donor: UNCDF/ SIDA	\$100,000	x	\$100,000
Output 4: Increase knowledge sharing and achieve policy, legal and regulatory improvements through lessons learnt, to support Outputs 1 through 3 in additional	1. Strengthen the KM component of IELD for UN Women's Economic empowerment portal. Design a KM strategy to guide the programme cycle.	1. Elaboration and design of strategy Consultant (\$50,000)	UN Women SIDA	\$50,000	x	\$50,000

	countries						
	Output 5: Effective programme management (including evaluation)	1. Organize an expert group meeting to validate the global programme, its tools and indicators	1. Validation Workshop for the Gender Responsive Instruments and Validation of Global Programme (\$50,000) Meeting workshop	UNCDF Donor: UNCDF/ SIDA	\$50,000	x	\$50,000
8% GMS				Sub Total	\$20,000		\$20,000
				Total Resources	\$450,000		\$450,000

VII. Management, Coordination and Implementation Arrangements

i. Management and coordination



The Global Steering Committee (GSC): The steering Committee will be composed of the Deputy Executive Secretary of UNCDF, as well as the Director of the Gender Team, Chief of the Women’s Economic Empowerment Division of UN Women, Director of the Local Development Finance Practicel, Representatives of targeted Countries and Donors. The Gender Thematic Leader will serve as the secretariat of the Global Steering Committee

Programme Implementation Unit: The IELD global programme will be managed globally by UNCDF through a Programme Implementation Unit (PIU) based at UNCDF Headquarters in New York. The PIU will be headed by a Programme Manager who reports to the LDFP Director. The PIU will be comprised of a Knowledge Management specialist, a junior research analyst and/or other support analyst, as is needed. The Programme Manager will work closely with the Regional Technical Advisors based in the three UNCDF regional offices (Asia-Pacific, Southern/Eastern Africa, Western /Central Africa) and the Chief Technical Advisors based in programme countries³¹, in managing the programme. The Programme Manager will be responsible for coordinating all global programme activities and for reporting to both the directorate at UNCDF headquarters and to the GSC.

LDFP Thematic Leader on Gender: The Thematic Leader on Gender will provide strategic guidance, advisory and technical/financial inputs into the development, expansion, and overall direction of the programme. The Thematic Leader on Gender will report to the LDFP Director.

They will work closely with the implementing partners to build further coherence, partnerships, mobilize resources, as well as to support the PIU in technical refinements, policy advisory services, regional integration, content development, overall programme direction, and representation in major events and targeted campaigns.

Country Steering Committee: Each IELD programme country will have a Country Steering Committee (CSC) which will oversee the programme, consistent with UN rules and regulations. The CSC will consist of, and will not be limited to:

- The Coordinating/Executing Agency (for example, the ministry of finance)
- Other national implementing partners such as the prime minister's Office or ministries of local government;
- UNDP (represented by relevant UN Task-Team of the UN Development Assistance Framework)
- UNCDF (represented by the IELD Programme Manager and the relevant Regional Technical Advisor)
- Other relevant ministries (ministry of local government, the ministry handling gender-related affairs, and others)
- Relevant country investment and business councils, where applicable;
- Representatives of financial institutions and funds, where applicable;
- Association of local governments;
- Chair of the donor group on decentralization and/or private sector development, where applicable.

The CSC will provide oversight and strategic direction to the PIU:

- Advising on and approving the strategy of the programme;
- Approving strategic and programmatic policies as they relate to funding allocations;
- Appraising and approving financial support to partners, where applicable;
- Approving annual work plans and budgets;
- Regularly reviewing programme reports and conducting annual project reviews;
- Contributing to the performance appraisal of the PIU;
- Reviewing and approving the terms of reference of all reviews and evaluations; and
- Delegate some of these responsibilities to the Programme Manager.

iii. Implementation Modality

The choice of implementation modality assigns the policies and procedures to be followed when implementing UNCDF-supported programmes and projects. For the purpose of the IELD programme, UNCDF can arrange for its programmes in one of the following two ways, using the following implementing partners (or institutions):

National Execution/Implementation Modality (NIM/NEX): This mode gives the government responsibility for working with UNCDF as the technical partner for programme oversight. Engaging a national partner enables close coordination and integration into those local government processes focused on increasing the capacity of

local governments to create local enabling environments and, where applicable, validate infrastructure projects developed under the programme.

Direct Execution/Implementation (DEX/DIM): This mode gives full responsibility to UNCDF for project implementation. UNCDF will programme the funds and manage the activities specified in the Resources and Result Framework (RRF) of each global programme document in line with its established rules and regulations. The administration of this programme shall be governed by UNCDF's policies, rules and regulations, as stated in the UNCDF's Operations Manual (OM). However, it will be critical that UNCDF ensure full integration of all processes into both government and private sector processes.

The programme will conform to the Standard Basic Assistance Agreement (SBAA) between the host governments and participating UN organizations. The host country implementing agencies shall, for the purpose of the SBAA, refer to the government co-operating agency described in the agreement. In countries that have not yet signed an SBAA with UNCDF, the UNDP SBAA shall apply.

UNCDF will act as the executing agency for the funds received for this programme while also acting as the implementing agency for the activities as specified in the RRF. The administration of this programme shall be governed by UNCDF's rules and procedures.

UNCDF will obtain a minimum of three LDC government signatures to this programme document to ensure government buy-in for the programme, and to facilitate the project's ability to encourage policy changes in favor of women's economic empowerment.

VIII. Fund Management Arrangements

The IELD programme can be financed through partnerships with bilateral donor agencies, multilateral organizations (multilateral banks and UN agencies) as well as private foundations, using a range of fund management options:

Parallel Funding Modality: The fund management modality will be parallel, which means a standard cost-sharing agreement will be signed by the donor and the participating organization(s).

Pooled Fund Management: Participating UN organizations pool funds together to one UN organization, called the Managing Agent (MA), chosen jointly by the participating UN organizations in consultation with the (sub-)national partner. The MA will support the (sub-)national partner in managing the programme. This option is likely to be the most effective and efficient approach when participating UN organizations work for common results with a common national or (sub-)national partner (such as departments or provincial offices) and/or in a common geographical area.

Pass-Through Modality: Joint programmes are multi-agency funding mechanisms designed to receive contributions from more than one contributor that are held in trust by the appointed Administrative Agent. Partner resources are co-mingled to fund programmes and projects implemented by participating UN organizations

If in the future other UN agencies choose to participate in this programme, the funding modality can remain parallel or become pooled (with UNCDF as the managing agent), pass-through or a combination thereof. The decision to select one or a combination of fund management options for a joint programme should be based on how to achieve the most effective, efficient and timely implementation, and to reduce transaction costs for national partners, donors and UN agencies.

Programmatic and financial accountability rests with the participating UN organizations and (sub-) national partners that are managing their respective components of the global programme, or allocation from a Medium Term Development Framework. UNCDF will programme the funds and manage its activities specified in the RRF and the common workplan agreed by participating organizations, in line with its established rules and regulations. The administration of this programme shall be governed by UNCDF's policies, rules and regulations, as defined in the UNCDF OM.

IX. Visibility and Outreach

All of the IELD knowledge management and promotional materials will include the logos of partners and UNCDF. To the extent possible it will acknowledge the important role of all partners in supporting the expansion of the IELD programme, while ensuring such branding and attribution remains in compliance with UNCDF branding standards and requirements. All programme-related publications (documents, brochures, press releases, websites, newsletters, results-reporting, banners etc.) and events (press conferences, programme seminars, public events and visits) will bear the names of all partners (with the appropriate logo of the organization).

UNCDF has a communications unit in New York with sufficient capacity to ensure adequate visibility, outreach and communication of IELD activities and results in the region. In addition, global programmes receive very strong support and ownership by the governments of the countries covered by them. Hence, contributions to the IELD programme would generate considerable attention among the respective governments.

In order to maximize visibility, new partnerships will be announced by means of a targeted communication to all relevant programme country stakeholders, including government ministries in the region and relevant permanent UN missions in New York, as well as the general public through the UNCDF, UNDP, UN Women and UN global and regional websites. Partners will be mentioned in communication with the governments in the region and their representatives in New York through direct email or in combination with the above-mentioned

press release.

X. Monitoring, Evaluation and Reporting

The UNCDF Evaluation Policy sets out clear guidelines for project-level and broader thematic evaluations of UNCDF's work. The Policy sets out the following mandatory evaluation criteria for UNCDF, which are:

- At least one strategic or thematic assessment per year in response to corporate priorities;
- Mid-term or final evaluations of selected projects in critical areas of relevance to the two UNCDF practice areas of local development finance and inclusive finance;
- Project evaluations when required by a partnership protocol;
- Participation in evaluations of joint programmes as required by approved joint programme documents.

IELD is designed with the underlying assumption that the success and expansion of this initiative will not be possible without continuous monitoring and evaluation of results. Building on the experience of its predecessor programme, IELD will develop a gender-responsive socio-economic assessment, and the establishment of a local baseline through which progress on the implementation of the project as well as the impact on results will be monitored and measured. By taking into consideration the data and statistics, as available, at the national and local level, including the utilization of time use surveys, the African Gender Index, GII, as well as other indicators, IELD will be able to measure the impact of its capital investments and interventions periodically.

Where progress is positive, lessons learned will be intensively shared to other pilot countries. Where progress is lagging, a reassessment of the activities and interventions, causes and effects, will be examined and readjusted in order to positively achieve the targeted results.

XI. Partnership Strategy

UNCDF in partnership with UNDP and UNWomen will target key donors to champion IELD in Africa and Asia. UNCDF is organizing a Donor Breakfast on the sideline of the Executive Board in January 2014 to engage the donors with this strategic programme. Additionally, bilateral meetings with key Donors are being planned during the first quarter of 2014.

XII. Annex

Annex 1: UNCDF local storage facilities and warehouse receipts in Benin

Background: In the LDCs agriculture holds an untapped potential for unlocking economic growth and increasing food security.³² According to the FAO, food production will have to

increase by 70 per cent in 2050 in order to keep up with global population growth, which is projected to increase from 6 billion to 9 billion³³. Investments to agriculture will need to increase to improve productivity, which will be critical to achieving food security.

The debate on food security has revolved around necessary actions, ranging from securing adequate arable land for crop cultivation, bringing down the cost of inputs to farmers, providing substantial food subsidies, and formulating food policies designed to protect poor and vulnerable domestic producers from imports of food. Governments have used a combination of instruments such as taxes, subsidies, incentives, tax breaks, and others to motivate greater domestic food production.

Issue: A lack of financial services, and specifically credit services, remains a serious constraint for smallholder farmers, especially women, to increase food production activities and investment in food production.

Solution: In Benin UNCDF has been supporting decentralization and local development since 2009. UNCDF has focused on food security and natural resource management in Benin, with the support of the Belgian Fund for Food Security (BFFS). UNCDF has helped local authorities identify the most vulnerable groups and to design specific interventions for them. At local and national levels, UNCDF enabled renewed relationships between the national Agricultural Ministry and local governments.

The programme strengthened the process of decentralization in Benin and contributed to the achievement of the MDGs in the Borgou region, through sustained improvements in the livelihoods of the most vulnerable groups. It also aimed to build the capacities of local governments to act in support of local economic development and to improve the food security of communities, particularly women.

A replicable solution was the introduction of “warrantage”, or inventory credit system operations, by local authorities in Benin. Warrantage, as a form of warehouse certificate, was provided to farmers in exchange for stocking their produce with farmers’ organizations. This operation allowed farmers to avoid selling at harvest time, when there is a surplus of produce, but instead sell later when prices are higher, which allowed them to pay back their loans plus the interest. This financing scheme was previously undertaken by FAO with support from USAID in Niger, Burkina Faso and Mali³⁴. But it was under UNCDF programmes that “warrantage” was undertaken in, as well as being directed for, the first time by local authorities. When conducted under the management of local authorities, warrantage can produce the same result as other innovative financing schemes but with the added benefit of a greater degree of sustainability due to its administration by local authorities. In addition, UNCDF programmes highlighted the importance of working with local authorities to determine what is feasible, as based on local capacity and needs.

XIII. References

1 Source: IMF/The Economist 2011

2 See Naila Kabeer 2012. <http://www.idrc.ca/EN/Documents/NK-WEE-Concept-Paper.pdf>

3 Blackden et al. "Gender and Growth in Sub Saharan Africa: Issues and Evidence, Development Economics and Public Policy", Working Paper Series No. 16, University of Manchester, November 2005

4 Details of the UNCDF GELD programme can be found at: <http://www.uncdf.org/en/gender-equitable-local-dev>

5 For example, block grant funding based on Minimum Conditions and Performance Measures can be used. Alternatively, in some cases the use of Performance Based Grants can be used as instruments.

6 The definition of women's economic empowerment is derived from those of UN Women and UNDP as they are being developed by UNCDF.

7 The GII ranges from 0, which indicates that women and men fare equally, to 1, which indicates that women fare as poorly as possible in all measured dimensions. The health dimension is measured by two indicators: the maternal mortality ratio and the adolescent fertility rate. The empowerment dimension is also measured by two indicators: the share of parliamentary seats held by each sex and by the secondary and higher education attainment levels of females and males. The labour dimension is measured by women's participation in the work force.

8 The outcome document is available at: <http://www.un.org/wcm/content/site/ldc/home/documents/pid/16534>

9 UNDP Gender Equality Fast Facts, available at: http://www.undp.org/content/dam/rbas/img/facts_results/FF-Gender-Equality-and-UNDP.pdf

10 <http://www.oecd.org/dac/povertyreduction/50157530.pdf>

11 UN Task Team on the Post-2015 UN Development Agenda, May 2012. "Macroeconomic stability, inclusive growth and Employment- Thematic Think Piece" ILO, UNCTAD, UNDESA, WTO

12 <http://www.oecd.org/social/gender-development/42310124.pdf>

13 Please see Section I.i on the UNCDF/UN Women predecessor programme on Gender Equitable Local Development.

14 Please refer to expected output 1.2 of the IELD programme.

15 Most of the activities under this output were standard in the GELD programme approach.

16 At present, most of the budgetary classifications in LDCs are gender-blind. Thus, in order to ensure that this incentive-based accounting system is set up, it will be necessary to carry out advocacy vis-à-vis the national authorities so that the budgetary classifications and also directives, in terms of budgetary orientation, that are drawn up by local governments are gender-responsive. The budget guidelines are legally binding and the budget classification allows for a real tracking of the gender actions undertaken by local governments.

17 For more on the development of this financing approach, see: <http://www.uncdf.org/en/local-finance-initiative-lfi>

18

http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Participatory%20Local%20Development/Mexico_Progresas_web.pdf

19 http://www.3ieimpact.org/media/filer/2012/11/30/wp_16_brazil_case_study_final.pdf

20 <http://www.ipc-undp.org/pub/IPCOnePager137.pdf>

21 <http://r4d.dfid.gov.uk/PDF/Articles/cash-transfers-literature-review.pdf>

22 <http://max-cms-host-01.syr.edu/uploadedFiles/moynihan/tngo/BIG%20Hopes,%20BIG%20Questions%20Namibia%20E2%80%99s%20Basic%20Income%20Grant.pdf>

23 <http://www.csae.ox.ac.uk/workingpapers/pdfs/csae-wps-2013-03.pdf>

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<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTGENDER/0,,contentMDK:22924463~menuPK:7947175~pagePK:210058~piPK:210062~theSitePK:336868,00.html>

25 <http://r4d.dfid.gov.uk/PDF/Articles/cash-transfers-literature-review.pdf>

26 <http://ideas.repec.org/p/ldr/wpaper/20.html>

27 <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6301.pdf>

28 To date, tailor-made country level training to government officials have been conducted in: Africa: Over 100 senior

officials from more than 35 African countries, mostly from the ministries of finance, economy, planning, as well as the central bank, were trained and certified in Gender and Economic Policy Management; Asia: To be inserted

29 http://www.undp.org/content/undp/en/home/librarypage/environment-energy/climate_change/gender/womens-green-business-initiative.html

30 Green Jobs for Women and Youth:
http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Participatory%20Local%20Development/GreenJobs_web.pdf

31 Suggestion from Mohammad: the PIU can also be composed of two regional project managers, one in Africa and one in Asia. Both can work under the Theme Leader.

32 World Development Report 2008

33 UN 2009

34 FAO, Fertilizer micro-dosing and warrantage credit system for small-scale farmers in the Sahel, 2005