Exit Strategy for Regional Technical Offices (RTO)

Table of Contents

List of Acronyms

CD	Capacity Development
CoP	Community of Practice
DGLAC	Directorate General of Local Administrations and Councils
LBP	Lebanese Pound
MERP	Municipal Empowerment and Resilience Project
MoIM	Ministry of Interior and Municipalities
RTO	Regional Technical Offices
SOM	Standard Operating Manual

©UNDP/UN-Habitat

Introduction

As part of the gradual handover of the Regional Technical Offices (RTOs) to their respective municipality or union, an Exit Strategy is hereby proposed to ensure that core capabilities and structures are in place for the RTOs to fulfil their mandate in an autonomous and self-sustaining fashion within the administration of the local authority to which they belong. With the Standard Operating Manual (SOM) and the Capacity Development (CD) Strategy, the present Exit Strategy constitutes the last piece of the RTO sustainability toolkit.

The Exit Strategy is not limited to the phase during which the development partner supporting the RTO gradually withdraws following the achievement of a programmatic objective. It rather consists of a comprehensive transition framework that describes the entire process of creating and maintaining fully functional RTOs, from end-to-end. As such, this is a document that outlines what local authorities and their partners should aim to achieve during an agreed timeframe, and what support local authorities will need, in order to establish and sustain successful RTOs. This framework is detailed in the "Exit Strategy & Transition/Handover Framework for RTOs", which is annexed to this document.

The framework, like the other components of the RTO sustainability toolkit, took stock of three baselines that assessed the capacities of the RTOs: (1) MERP's RTO Assessment, which was finalised in December 2020; (2) available documentation on the role and challenges of the RTOs; and (3) interviews with RTO members, municipal officials, and RTO partners and counterparts, conducted between August and December 2021.

These baselines pointed to several implementation gaps preventing the RTOs from fulfilling their mandate sustainably. These can be summarised into six overarching needs:

1. The need to plan better the creation of RTOs to ensure that they meet local needs

2. The need to ensure full ownership and buy-in of the RTO by the local authority officials to ensure commitment

3. The need to share standardised information and knowledge about the RTO model to increase awareness

4. The need to build capacities for the RTO to carry out its tasks

5. The need to ensure the visibility of the RTO model and shed light on the experiences of local authorities in different regions to promote its replicability

6. The need to connect RTOs with each other and with development partners to boost its attractivity to both local authorities and external donors
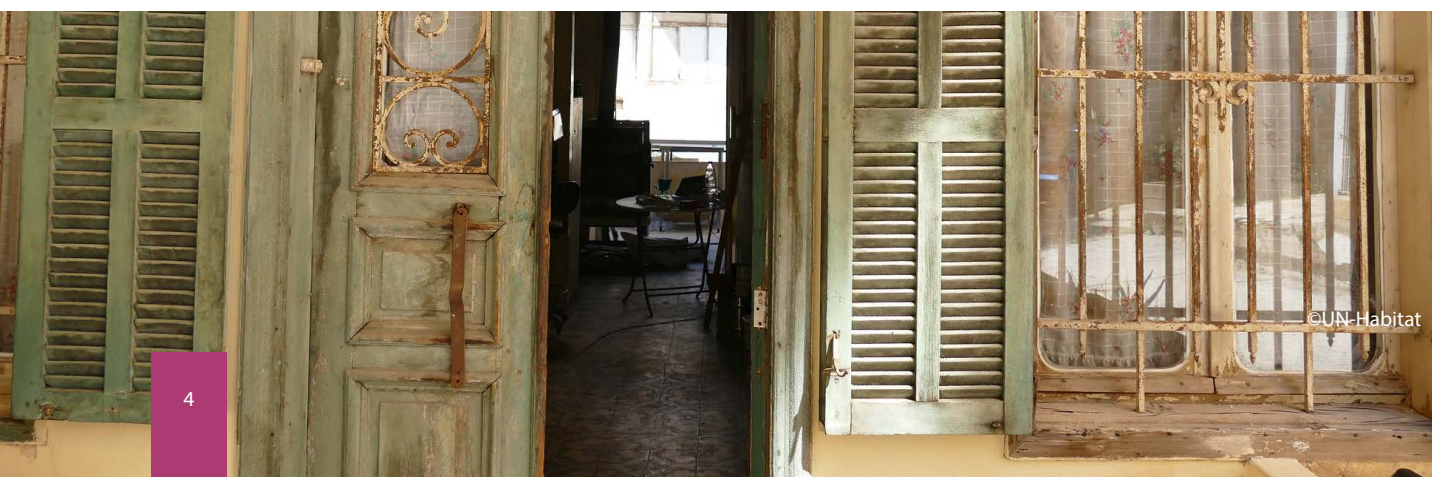
Milestones

These needs were addressed in the **transition framework**, as reflected in the transition milestones. Milestones are significant stages in the development of RTOs; they are used in the transition framework to mark specific achievements in the transition timeline. The transition foresees seven milestones:

1. A **planning phase**, aiming to (1) establish the need for an RTO based on evidence; (2) estimate, plan, and mobilise the necessary resources accurately; and (3) to ensure that local authority officials have full ownership of the process and demonstrate strong buy-in to engage in it.

2. An **inception phase**, aiming to ensure the effective onboarding and induction of the RTO into the local authority structure.

3. A **capacity development plan**, aiming to build core competencies for the RTO to become an agent of sustainability in local governance.

4. An **awareness-raising campaign**, aiming to promote the replication of the RTO model in the Lebanese local governance landscape.

5. **Networking and fundraising** activities, aiming to increase partnerships with and between local authorities to develop the work of RTOs.

6. **Continuous competence development**, aiming to sharpen specialised technical skills within the RTOs

7. A **handover and exit phase**, aiming to ensure a smooth exit of the development partner following an agreed-upon handover schedule.

Strategy Ownership

The **owners of the Exit Strategy** are primarily the local authorities and the development partners. Local authorities are the main owners because they are the prime beneficiaries of the RTOs and, as such, should be fully committed to implementing the RTO sustainability toolkit. Development partners are the co-owners of the Exit Strategy because they are promoting the replication of the RTO and are working to institutionalise them through this toolkit. Both parties are expected to co-pilot and oversee the handover process. It is therefore important that these stakeholders endorse the Exit Strategy detailed in the Annex.

©UN-Habitat

Activities

Each milestone consists of several activities leading to its achievement. **Activities** are outputs that are required to institutionalise the RTOs in the local authorities and enable the transition. The transition framework foresees 27 activities distributed as follows:

MILESTONE	OVERVIEW OF ACTIVITIES
Planning phase	7 activities – meetings and consultations with local authority officials to discuss the opportunities, added value, and challenges of creating RTOs, in addition to probing commitment; needs assessments to determine the size and composition of the prospective RTO; determining the most suitable procedure for establishing the RTO; official creation of the RTO, possibly through a formal agreement with a development partner.
Inception phase	5 activities – ensuring an adequate workspace for the RTO; recruitment and selection process; onboarding and induction using the present RTO sustainability toolkit; baseline capacity assessment to determine the priority competencies to be developed.
Capacity development plan	6 activities – delivering a training package that builds a core skill-set for RTOs, consisting of the following topics: (1) municipal laws and regulations, (2) proposal development, (3) revenue optimisation, (4) integrity, accountability, and participatory governance, (5) performance management, and (6) strategic planning.
Awareness-raising campaign	2 activities – launching a visibility campaign to increase the awareness of local authority officials, civil society, and development partners about the added value of RTOs; building social media management skills for RTO staff members to promote their work.
Networking and fundraising	3 activities – connecting RTOs with each other to form an active network and thematic communities of practice (CoP); developing privileged donor relations; developing relations with local community actors.
Specialised competence development	1 generic activity (consists of as many activities as needed) – delivering advanced technical training for RTOs based on established competency gaps and guided by the Capacity Development Strategy and Matrix.
Handover and exit phase	3 activities – ensuring a smooth handover by having both parties (the local authority and the development partner) aligned on the steps and objectives to sustain the RTO beyond the partnership agreement. Implementing staff retention measures.

Each activity is preceded by a **rationale**, consisting of a problem statement that describes the needs to be addressed (loopholes in existing practices and in the current status of the RTOs). For each need, specific **outputs** are proposed to address the needs identified and make progress on the transition. The following elements are further associated with each output:

- A description of the **outcomes** of each output, showing what results should be expected from the activity.

- **Indicators to measure the progress or achievement of each activity,** and to monitor whether it was started, nearing an advanced stage, or completed.

- Possible **risks** that might impede the implementation of the activity, and possible ways to mitigate these risks.

- The **responsible party** for each activity. Most of the time the responsible party is the local authority, often with the support of a development partner.

- An **indicative timeline** situating the activity on the handover calendar, which is divided by quarters and spanning three years. The objective of the timeline is to provide a logical sequence showing how the activities are envisaged by consecutive order. The timing of the implementation of the activities will depend on the local context and the capabilities of both the local authority and the development partner.

- An **indicative financial description** detailing the anticipated investment to implement each activity. The costs usually consist of (1) logistics (catering, equipment, venue, rehabilitation works); (2) external expertise (consultants); and (3) in-house expertise (staff working for the local authority/RTO and/or the development partner). The expenses are broken down into two types of units and unit prices.

Financial Planning

The size of the resources needed for a successful transition will require both the local authority and the development to budget appropriately in order to ensure the continuity of the transition process. As such, the financial arrangements should be part of the transition planning. They should be included in the original Agreement of Cooperation (AoC) between the local authority and the development (Activity 7) and later reviewed during the handover discussions (Activity 25).

Increasing the Chances of Retaining the RTO Staff

One major issue that is expected to arise during the handover discussions between the local authority and the development partner is how to ensure staff retention, or rather how to reduce at a minimum the risk of highly competent RTO members leaving. This issue poses itself even more acutely as the pay gap between the RTO members and the local authority staff (including their supervisors) is increasing with the hyperinflation. Lebanon has been mired in an unprecedented financial crisis that has been coupled with a hyperinflation. At the time of finalising the Exit Strategy (January 2022), the devaluation rate of the Lebanese Pound (LBP) had reached 95%. It is therefore challenging to completely avoid the risk of RTO members jumping ship in pursuit of better opportunities. **This risk should be constantly managed**, using the

employees – so that they won't want to leave. Six measures can help accomplish that: (1) adding monetary incentives for staying, (2) providing better career opportunities, (3) focusing on a higher purpose, and (4) prioritising team culture and interpersonal connections.[1] It is crucial to apply these measures to both the RTO employees and the other local authority employees without distinction. Otherwise, this will likely aggravate the tensions between the RTO and the local authority staff and drive them both outside the institution.

1. Adding monetary incentives ("incentivising loyalty")

Fair compensation and social benefits are ineluctably part of any retention strategy, but they do not have