

Sector Wide Approaches: A Resource Document for UNFPA Staff

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Contents

INTRODUCTION	2
ACRONYMS AND ABBREVIATIONS	3
1. OVERVIEW OF SECTOR WIDE APPROACHES	4
2. PROVIDING SUPPORT TO A SECTOR PROGRAMME	14
3. UNFPA AND SECTOR WIDE APPROACHES	22
4. THE SWAP IN DETAIL	29
5. FREQUENTLY ASKED QUESTIONS ABOUT SWAPS AND THE WIDER DEVELOPMENT ENVIRONMENT	53
6. FURTHER READING ON SWAPS.....	60
REFERENCES	65

Introduction

UNFPA is committed to moving towards a sectoral approach, recognising that efforts to build government capacity can have a far greater and more sustainable impact than supporting governments through a series of discrete projects. This could mean significant changes in the way that UNFPA operates. It would also require dealing with new issues and amending procedures, but should result in better reproductive health outcomes.

These materials aim to help familiarise the reader with Sector Wide Approaches (SWAp) and help prepare them face the challenges they pose. They are designed in an accessible way both to help build on existing knowledge of readers who may have some idea of what a SWAp is, or have already operated within a SWAp environment, and for those who may have not worked in a SWAp environment at all – after all UNFPA operates in well over a hundred countries many of which have not adopted a sector wide approach.

The document is structured in six sections:

Section 1 provides an overview of Sector Wide Approaches. It explains what they are and why they have emerged as an instrument of development cooperation. It looks at what providing support to sector programmes is trying to achieve, and what the experience has been to date. The advantages of supporting a SWAp are highlighted, as well as the potential pitfalls, and what steps can be taken to avoid them.

Section 2 looks in more detail at the core components of a sector programme, followed by an overview of alternative ways of channelling aid.

Section 3 looks at the broad implications for UNFPA of engaging with SWAp, both as a means to achieve the Millennium Development Goals, and on a very practical level, in terms of the changed ways of working required by the new approach.

Section 4 looks at the detail – the “nuts and bolts” – of how to support a sector programme, and what this might mean for UNFPA. The components reviewed are i) sector policy and strategy; ii) partnership processes (coordination, consultation and harmonisation); iii) performance monitoring systems; and iv) financing issues.

Section 5 goes back to the broader development context. It looks at the links between a Poverty Reduction Strategy Paper (PRSP) and a SWAp, examines whether a SWAp is possible when government is decentralised, and what happens to projects when there is a SWAp.

Section 6 contains a list of further readings with weblinks and is provided for those wishing to explore the issues in greater depth.

Acronyms and abbreviations

CAPs	Consolidated Appeals
CCAs	Common Country Assessments
DFID	Department for International Development
EC	European Commission
HIPC	Heavily Indebted Poor Countries
ICPD	International Conference on Population and Development
IMF	International Monetary Fund
M&E	Monitoring & Evaluation
MDGs	Millennium Development Goals
MoH	Ministry of Health
MoF	Ministry of Finance
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MYFF	Multi-Year Funding Framework
NGO	Non Governmental Organisation
ODA	Official Development Assistance
PBA	Programme Based Approach
PFM	Public Financial Management
PRSP	Poverty Reduction Strategy Paper
RH	Reproductive Health
SWAps	Sector Wide Approaches
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNFPA	United Nations Population Fund

1. Overview of Sector Wide Approaches

This section provides an overview of Sector Wide Approaches (SWAs).

It explains what they are and why they have emerged as an instrument of development cooperation. It looks at what providing support to sector programmes is trying to achieve, and what the experience has been to date.

The advantages of supporting a SWAp are highlighted, as well as the potential pitfalls, and what steps can be taken to avoid them.

[1.1 Background](#)

[1.2 Stronger partnerships: a new way of working](#)

[1.3 Why provide support to a Sector Programme?](#)

1.1 Background

Sector Wide Approaches have emerged in response to changes in the aid environment over the last decade. Increased emphasis has been placed on poverty reduction through the establishment of the Millennium Development Goals (MDGs). New mechanisms have been established, such as the Heavily Indebted Poor Countries (HIPC) initiative and Poverty Reduction Strategies. There has been intense debate on the failure of projects to address poverty in a systematic way, and around aid effectiveness generally. In addition, the importance of government ownership and government leadership has been increasingly recognised.

A changing aid environment

It is important to place SWAs in the context of the overall aid environment, and the changes that have taken place in the last decade, such as:

- greater consensus on **goals**: a wide consensus on the need to focus efforts on **reducing poverty**
- more emphasis on **results**: leading to the identification of clear and ambitious development targets (the [Millennium Development Goals](#)) which emphasise poverty reduction;
- new **mechanisms** and initiatives to channel resources rapidly and effectively to countries in need: e.g. the HIPC initiative, the Poverty Reduction Growth Facility (IMF) and Poverty Reduction Strategy Credits (World Bank);
- new approaches to improve **aid effectiveness**: the introduction of national *poverty reduction strategies* as a mechanism for explicitly linking policies, public expenditure allocations and poverty reduction goals; see www.worldbank.org/prsp and moves towards greater harmonisation and alignment see www.aidharmonisation.org
- new **aid instruments** and approaches: disillusionment with impact using traditional aid instruments has led to increased emphasis on programme type support (budget support and sector programme support);
- stronger **partnerships**: increased emphasis on strengthening the role of governments and developing true *partnership* approaches in which donor-government relationships are increasingly based on Government ownership and leadership, broad participation, partnership, mutual accountability and long-term commitment.

All these factors have created a demand for approaches which enjoy government ownership and are set within a clear framework which focuses on the reduction of poverty and delivers development assistance in a more efficient manner. These are the basic building blocks and key objectives of a SWAp.

1.1.1 Definitions and terminology

A SWAp is:

- an **approach** which involves a **different type of relationship** between government and development partners;
- **a mechanism through which support** to public expenditure programmes **can be better co-ordinated**;
- **a means of improving aid effectiveness - by improving the efficiency and effectiveness** with which all resources are used, and accounted for, in the sector.

It is important to remember that a SWAp is an approach, not a blueprint. The approach is based on key principles and attempts to progressively apply them, but it is the national conditions and preferences that guide the development of the process.

A SWAp is a form of Programme Based Approach (PBA) applied at the sector level. A Programme Based Approach (PBA) can be defined as follows.

Programme Based Approaches (PBAs)

PBAs have been defined as “a way of engaging in development cooperation based on the principle of coordinated support for a locally owned programme of development, such as a national poverty reduction strategy, a sector programme, a thematic programme or a programme of a specific organisation”.

They are characterised by:

- Leadership by the host country or organisation;
- A single comprehensive programme and budget framework;
- A formalised process for donor coordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement;
- Increasing reliance on the use of local systems for programme design and implementation, financial management and accountability and monitoring and evaluation.

Quoted from OECD-DAC 2005

The key components of an effective SWAp are:

- A clear nationally-owned sector policy and strategy;
- A medium term expenditure framework that reflects the sector strategy;
- Systematic arrangements for programming resources that support the sector;
- A performance monitoring system that measures progress and strengthens accountability¹.

¹ OECD-DAC 2005

Whilst it is recommended that the above is used as the working definition, it is worth noting that there is no single agreed definition, and there are differences in the way different actors define certain concepts².

It is important to make a distinction between the **Sector Approach** and the **Sector Programme** (or Sector Development Programme) which results from it.

A Sector Programme is defined as “a specific, time-bound and costed set of actions and activities which support a sector strategy (i.e. the “single comprehensive programme and budget framework” of a PBA, which incorporates both government and donor resources)”.

A Sector Programme includes three components³:

1. An approved **sectoral policy document** and **overall strategic framework** (such as a PRSP).
2. A **sectoral medium term expenditure framework** and an annual budget.
3. A **co-ordination process** amongst the donors in the sector, led by Government.

Sector Programmes are **dynamic**: their content needs to be challenged by regular review and refined as required. While the principles underpinning Sector Programmes are relevant across countries, both the approach to developing the Programme, and the content, may differ significantly from country to country.

1.2 Stronger partnerships: a new way of working

SWApS bring benefits to both governments and partners.

Governments are able to re-take ownership of the sector. Instead of a multitude of projects largely driven by donor preferences, donors contribute to an overall programme determined by government priorities. Duplication, fragmentation and the sheer time and effort spent in accommodating numerous donor missions are reduced. This in itself is a clear benefit. More importantly, though, a SWAp will result in a coherent strategy which is more likely to address poverty in a consistent and comprehensive manner. As a government-owned initiative it is also more likely to be implemented.

As for donors, **increased development impact** should be the key benefit. The process of a SWAp brings together development partners in dialogue on sector policy issues. The “implicit bargain” is that donors agree to give up their formal role in running projects (or small fragments of the sector), in return for a voice in the overall direction of sector policy and its management. Thus, while attribution becomes more difficult (as it is no longer possible to relate funding from a specific donor to particular activities) the greater development impact achieved through policy change should more than make up for this.

Benefits arise through **changes in the way donors and partners interact**. There is a shift from donor-led to country-led and country-owned development. Government and donors work in partnership at all stages - from strategy and policy development, to implementation and assessment.

² In the guidelines for its staff, the European Commission defines the SWAp as follows: “a way of working together between government and development partners. The aim is to broaden Government ownership over public sector policy and resource allocation decisions within the sector, to increase coherence between policy, spending and results and to reduce transaction costs. It involves progressive development of a comprehensive and coherent sector policy and strategy, of a unified public expenditure framework for local and external resources and of a common management, planning and reporting framework”. (EC 2003) In some cases a Sector Programme is called a Programme of Work (e.g. in Ghana). Also, some donors consider a SWAp to include the Sector Programme.

³ EC 2003

Changes in accountability arrangements also take place, whereby government is no longer primarily accountable to donors for results, but to its population. Donors and government agree on a system; government is accountable for its implementation and any expenditure incurred. Donors, on the other hand, are accountable to government for delivering their part of any agreement, whether it is predictable and timely funding, appropriate technical assistance, etc. This requires donors to shift their focus (and reporting systems) away from measuring the performance of “their” inputs, towards measuring the outputs and outcomes of the sector as a whole.

1.3 Why provide support to a Sector Programme?

“SWApS were the outcome of the recognition that individual projects usually only provide fragmented improvements which cannot be sustained after project termination, and draw disproportionately on scarce human capacity and funds”. (UNFPA 2004)

As mentioned earlier, the SWAp has evolved in response to a number of changes in the international aid environment. It is seen as a more effective way of delivering development assistance than more traditional project-based approaches. As a result of the greater government ownership and the fact that the programmes developed reflect country needs, this is expected to result in faster progress towards the MDGs.

Why choose a SWAp?

- To **broaden ownership** by partner Governments over decision-making with respect to sectoral policy, sectoral strategy and sectoral spending;
- To **increase the coherence** between sectoral policy, spending and results through greater transparency, through wider dialogue and through ensuring a comprehensive view of the sector;
- To **minimise** as far as possible the **transaction costs** associated with the provision of external financing, either by direct adoption of government procedures or through progressive harmonisation of individual donor procedures.

(EC 2003)

As a result, programme based approaches are gradually replacing projects:

“Previous project-based approaches are being replaced by broader policy and programme designs that emphasize systemic change and national outcomes. Sectoral reform, sector-wide approaches (SWApS), Poverty Reduction Strategy Papers (PRSPs), the United Nations Development Assistance Framework (UNDAF), Common Country Assessments (CCAs), and Consolidated Appeals (CAPs) are replacing individual project documents as planning and programming tools. These changes demand interventions at the policy as well as the programme level, and interactions that go beyond the Fund’s traditional counterparts” (UNFPA 2002c)

1.3.1 Advantages of SWAs

Providing support through a sector programme has several specific advantages over the traditional project approach:

- It is based on **Government ownership** and leadership, and establishes Government as the sector leader. On the other hand projects can be too donor driven, reflect donor preferences, enjoy little Government ownership and, as a result, often fail.
- It is **results-oriented** (with a focus on sector performance). Projects do have a results focus but their targets can be relatively unimportant from an overall sector perspective.
- It promotes a greater **focus on policy - not on detail**. Projects tend to look at detail and cannot always address broader issues effectively.
- It enables donor support to be **better coordinated**. With projects there tends to be little or no coordination between donors, other than perhaps sharing some information on activities.
- It makes **funding** clearer and more **predictable**. Stand alone projects are not set within an overall expenditure framework. Overall funding flows, therefore, tend to be unclear and can be highly unpredictable. When there is a single expenditure plan all stakeholders can clearly see where their money is going.
- It **reduces transaction costs**. Projects often make significant demands on the time of senior policy makers through project review missions, evaluations etc.
- It improves democratic **accountability**. Governments are responsible for delivering sector programmes. With projects accountability is often to the donor.
- It encourages greater focus on **capacity building** due to greater reliance on local systems. Projects may bypass government systems, meaning there is no need (from a donor perspective) to build local systems. Projects can also drain government of many of its best staff to run project implementation units.
- It can **increase resource allocations** to under-resourced sectors. The conditions attached to projects rarely relate to sector flows, so they have little influence on the allocation of resources both within and between sectors, and can do little to address any imbalances that exist.
- It improves **transparency**. A single expenditure plan allows all stakeholders to assess whether the allocation of resources is consistent with stated national priorities. Under projects this is not the case, so there is little clarity on overall funding flows – nor is it possible to compare overall funding flows with priorities.

Should project finance be phased out?

Continued **project finance** is not necessarily incompatible with the Sector Programme, but in order to ensure that it does not undermine the Sector Programme they are supposed to be supporting, donors should:

- Demonstrate clearly how the project goals and activities contribute to sector objectives;
- Explain why project support is preferable to other forms of assistance;
- Break down costs according to Government budget classification, and endeavour to make multi year commitments where possible;
- Use Government systems where possible (e.g. procurement systems and sector review mechanisms) or provide a clear justification when this is not the case.

The topic of separate projects is examined in more detail in [section 5](#). Overall, one might expect reliance on project type financing to decline. However, a project approach could still make sense for some activities, such as innovations and pilot projects.

1.3.2 How is a SWAp expected to achieve its objectives?

The table below maps out the mechanism through which a SWAp is expected to deliver improvements in health outcomes.

Effects of a SWAp	(Leads to) Expected Results	(Leads to) Expected Impact
<ul style="list-style-type: none"> • reduced aid fragmentation and duplication; • increased Government ownership and leadership; • improved coordination; • strengthened institutional capacity; • improved transparency in budget processes – clearer and more predictable funding. 	<ul style="list-style-type: none"> • better sector policies – including reduced inequality in access and geographical disparities; • greater likelihood of implementation; • increased effectiveness and efficiency of public expenditure – (use of performance monitoring and evidence based approaches, reduced transaction costs, better coordination); • Programmes are accountable to Government sector Ministry not donors; • Improved conditions within the line ministry for wider government (civil service, public financial management) reforms to succeed. 	<ul style="list-style-type: none"> • sector objectives achieved and contribute to the MDGs.

In the short to medium term most benefits are likely to be in terms of improved **processes** and better **governance structures**. As for **outputs and outcomes**, providing support to sector programmes was never expected to have an immediate impact. There are many reasons for this - the fact that serious underlying problems needed to be addressed first, the relatively small role played by the public sector, and concerns about serious underfunding. Improvements were expected to come over time - and evidence on this is now beginning to emerge. Nonetheless, we do need to recognise the difficulties of **attributing** results to the programme of support alone.

1.3.4 The country context

In what circumstances is support for a sector programme most likely to work? The table below outlines the key pre-conditions for success, and other facilitating non-essential factors which create a more favourable environment for implementation. These conditions are described in more detail in the following paragraphs.

Conditions for a Successful Sector Programme	
<p>Essential</p> <ul style="list-style-type: none"> • Strong and effective leadership at sector ministry level; • Commitment to the process elsewhere in Government, particularly in the Ministry of Finance and at senior political level; • Broad consensus between Government and Donors on key policy and management issues for the sector; • A reasonable degree of macroeconomic and political stability leading to a relatively high degree of budget predictability. • A basic minimum if financial management systems and capacity exists to underpin the program. 	<p>Facilitating</p> <ul style="list-style-type: none"> • Institutional relationships are manageable; • There is an experienced “lead donor” or lead group of donors; • Incentives are compatible with the objectives of a Sector Approach; • “Quick wins” can be achieved to raise commitment and support. • Existence of wider structural, civil service and PFM reform initiatives in government that can be exploited in the sector <p style="text-align: right;">(Adapted from EC 2003)</p>

When implementing a SWAp, it is important to be aware of the potential pitfalls, and what steps can be taken to avoid/minimise them. If the essential conditions are not in place, obstacles are likely to arise.

1.3.5 “Facilitating” conditions

The following factors can help to create a more favourable environment for implementation⁴:

Manageable institutional relationships

Sector programmes have worked most effectively where they are defined in terms of the area of budget responsibility of a single sector ministry. They are also easier to manage where there is a relatively small group of significant donors to the sector.

An experienced “lead donor” or lead group of donors

Sector Programmes usually need a lead donor willing to support government in managing donor and stakeholder co-ordination through good advice and through bringing other donors “into line” when necessary.

Incentives that are compatible with the objectives of a Sector Approach

Problems are likely to occur if the sector strategy involves cutting the budget or staffing of the ministry which is to take the lead role in implementing it. In addition, where civil service and other government-wide reforms are in place to create incentives and performance-related rewards, it is easier to attract staff and to counteract the incentives to retain project bureaucracies.

“Quick wins”

Developing a Sector Programme is a lengthy process involving considerable negotiation, consultation and systems development. Enthusiasm will dwindle quickly without tangible benefits at an early stage.

⁴ Quoted from EC 2003

Summary: Lessons of good practice in establishing Sector Approaches

Respect the need for Government leadership and ownership. Donors must leave initiative with government while providing flexible support, information, and guidance on what is practically achievable over a particular timeframe.

Avoid establishing parallel systems or processes as part of Sector Programme development, (such as special secretariats and “SWAp planning units”) and concentrate on strengthening or reforming the normal government budgeting and planning system.

Ensure the close involvement of the Ministry of Finance (MoF). There is a strict limit to what can be achieved at the sector level alone. Where the MoF has not been closely involved from the start, the process may be derailed by subsequent disagreements on the budget envelope.

Ensure high level political support. Encourage senior officials in the sector to seek political input, to brief Cabinet and Parliament when appropriate, and to have a communication strategy for the Programme. The objectives of sector policy must be consistent with political concerns if they are to receive consistent support. Moreover, the sector strategy is likely to require attention to issues of government-wide concern (such as public sector reform), where political support will be needed.

Plan for some “quick wins” in the implementation of the Sector Programme. These should include both tangible gains perceived by the users of services (e.g. improved maintenance of selected, high use roads or increased supplies of medicines or reduced user charges), and improvements perceived by sector staff and their managers (e.g. simplified budget preparation processes, improved information, cleaner and better equipped offices, etc.).

Design processes which economise on management, planning and policy skills within government, while progressively building up capacity. Most Sector Programmes hugely increase the contact time demanded of senior government managers by donors. Be aware of this and find ways of reducing the transactions costs associated with aid management.

Be prepared to commit to long-term support. The mechanisms for managing Sector Programmes take a long time to establish. Moreover, the implementation of sector strategies usually implies long-term institutional change and organisational development. Many Sector Programmes have ten-year time frames implemented in three or five year “tranches”: donors must have similar time horizons for a Sector Programme to succeed.

Move cautiously and realistically on developing pooled funding arrangements. This requires careful preparation and capacity building, and may not be necessary (or cost effective) to achieve the goal of unified planning and resource allocation. Greater priority should be placed on establishing common review processes and timetables.

Give attention to procurement issues. In many countries, public procurement is an endemic source of corruption at both local and central government level. In this context, government systems cannot simply be adopted without substantial change. If this is not recognised, any corruption scandals will dramatically undermine confidence in the Sector Approach. In general, concerns over procurement are best addressed as an issue in their own right, rather than as an aspect of accounting and expenditure control. Special procurement systems can be introduced for a Sector Programme without necessarily adopting the procedures of a particular donor or common pool funding. For example, specific amendments and improvements to government systems might be agreed. Alternatively, governments might choose to pass all procurement requirements for the Sector Programme through one donor, such as the EC or the World Bank, and might possibly employ a procurement agent to manage this. (Source: EC 2003)

1.3.6 Obstacles to implementing a SWAp

The following factors may serve to hinder the SWAp process:

Weak Government leadership.

In the absence of effective leadership from the sector ministry, the process tends to become donor led. In this situation there is a strong tendency for donor-funded planning and consultation processes to be established - running in parallel to normal government systems. In agriculture, for example, there have been long and relatively costly processes of “programme preparation” in a number of countries, usually based around “Secretariats” and “Task Forces” that are only loosely tied into government processes.

The Ministry of Finance is not involved.

Lack of involvement and commitment from the Ministry of Finance means that the process is not integrated into the budget cycle and there can be no assurance that the plans developed will be funded. In this situation, there are few incentives for the sector ministry to seek increased transparency in the use of donor resources (by bringing them within the budget envelope) and no prospect of implementing a coherent medium-term expenditure programme for the sector. Often, the improvements in financial management systems that are required to underpin a sector program (accounting for donor funds) can only be achieved by working with the central and local treasury and accounts offices.

There is no consensus on key issues.

In the absence of a consensus on key policy and management issues for the sector, it may be difficult to move the process forward. Ideally, problems at this level will lead to further consultation, discussion and research from which consensus may develop. However, a danger is that the desire of both donors and government to maintain the flow of funds and keep the process formally on track may lead to a “fudging” of key issues - which can later re-emerge as points of contention. Donors and Governments may also focus on different issues – one may focus on policy reforms and sector priorities the other on funding arrangements

The macroeconomic situation is deteriorating/there are major, and growing governance concerns.

A weak macroeconomic environment and disagreements about governance can easily derail Sector Programmes as donors lose confidence. The economic and political environment can be fragile, and dependent on events outside the sector. Failure to embed the programme in a broader macroeconomic and expenditure framework increases its vulnerability to budget shocks, whether they are due to poor macroeconomic management, external events or the suspension of macroeconomic budget support by donors and multilateral agencies. An early symptom of economic malaise is the increased risk of “fungibility”, or displacement of government funding by donor funds and decreasing overall budget discipline across all sectors.

1.3.7 The need for a country specific approach

Before moving on to a description of the key components of a SWAp in the next section, it is important to remember that a SWAp is an approach, not a blueprint. This approach has to be tailored to suit country circumstances, and to fit within ongoing health and sector reform processes. Countries are implementing a range of approaches and reforms which will have a major bearing on approaches at the sector level. The most important of these include:

- Existing national planning and policy frameworks;
- Sector policy;
- Public Service Reform;
- Financing Reforms, e.g. public financial management reforms and moves towards adopting a more medium term planning and budgeting to produce a Medium Term Expenditure Frameworks (MTEFs);
- Decentralisation and Local Government Reform.

Some of these processes are fully compatible with the provision of support to sector programmes. Some, such as the development of sector policies and MTEFs, directly contribute to the development of a sector programme. However, they do add a further degree of complexity which calls for a strategic and well planned step by step approach.

2. Providing support to a sector programme

This section provides a brief overview of the core components of a sector programme ([Section 4](#) will look all these in greater detail.)

It is followed by a description of alternative ways of channelling aid.

[2.1 Key Components of a Sector Programme](#)

[2.2 Looking beyond SWAps: other aid instruments](#)

2.1 Key Components of a Sector Programme

A sector programme has six components. The first three are fairly general best practice principles of planning and management:

1. A clear **sector policy and strategy**;
2. A sectoral **medium term expenditure programme**, based on a comprehensive action plan;
3. A **performance monitoring system**;

The next two reflect the need to ensure that large amounts of external funding can be accommodated within the programme without causing major distortions or excessive transactions costs:

4. A formalised process of donor **co-ordination**;
5. An agreed process for moving towards **harmonised systems** for reporting, budgeting, financial management and procurement;

The final component relates to the need for mechanisms to engage key stakeholders at all stages:

6. A systematic mechanism of **consultation** with clients and beneficiaries of government services and with non-government providers of those services.

The following pages describe each component separately, looking at what they are, and why we need them.⁵

⁵ A full list of definitions can be found in Lavergne, R. and A. Alba. (2003): Glossary of Frequently-Used Terms under Program-Based Approaches. <http://remote4.acdi-cida.gc.ca/pbas> (registration required)

2.1.1 A clear sector policy and strategy

In broad terms these are a clear statement of Government's objectives and an indication of how they will be achieved. More detailed definitions are shown in the box below.

Sector Policies and Strategies - Definitions

Sectoral Policy

A sectoral policy is a statement of government's objectives within a sector and a summary of how they will be achieved. It explains the proposed role of government and non-government agents within the sector. It distinguishes activities to regulate provision of services by the market from direct financing or delivery of services by government. Often it will include a set of objectives relating to the intended level of access to government services, the minimum acceptable quality for those services and the charges which might be levied for them, if any.

Sector policies usually emerge from a range of decisions by government - some legal, some administrative, some budgetary. In order to determine what is sector policy, it is often necessary to refer to several documents. Over time the clarity of objectives and strategy may be lost and duplications and inconsistencies arise. Issuing a single sectoral policy document makes policy more transparent so that a coherent, unified approach may be re-established. (EC 2003)

Sector Programme

As a result of following a Sector Approach, Governments in consultation with partner donors and other stakeholders may develop an updated sector policy and action plan. This is defined as a Sector Programme, if it includes the following basic three elements:

- an approved sectoral policy document and overall strategic framework (such as a PRSP)
- a sectoral medium-term expenditure framework and an annual budget
- a coordination process amongst the donors in the sector, led by Government

(EC 2003)

We need to know what government is aiming to achieve in the sector and how. We need to distinguish government's regulatory role from its service delivery role, specify the roles of non-government agents and any institutional reforms necessary to enable these roles to be fulfilled.

Providing support to a sector programme will only be effective if the underlying policies it promotes are sound and if there is commitment from all parties to implement the strategies which have been agreed. The process through which any sector framework is developed and the partnership arrangements covering its implementation are, therefore, extremely important.

2.1.2 A sectoral medium term expenditure programme, based on a comprehensive action plan

The sectoral medium term expenditure plan or framework is a planning tool and process which helps ensure resources are put to their best use.

Medium-Term Expenditure Framework (MTEF): alternative definitions

An MTEF is a system for planning actions and programming spending over a 3 to 5 year period. It reconciles systematically the achievement of strategic objectives with respect for aggregate resource limits. In some countries, the whole budget process is managed through an “MTEF” system; in others, it is limited to specific sectors and acts only as a broad guide to spending decisions.

A *sectoral* medium-term expenditure framework must have four minimum characteristics:

- It must be comprehensive in the sense of including all sources of financing to the sector and all proposed spending.
- It must be realistic so that projections of financing are not over-estimated and projections of costs are not under-estimated.
- It must be clear about how resources will be utilised and what are the desired results to be monitored, meaning that it must derive from a clear action plan.
- It must be endorsed at senior political level. (EC 2003)

An MTEF is a planning tool that seeks to:

- match expenditures with overall resource availability, thereby ensuring budgetary stabilisation in the short term and define sustainable expenditure levels for the longer term
- guide the sectoral allocation of expenditures in line with government’s development priorities, on the basis of a comprehensive review of resources, policy options and their cost;
- facilitate strategic sector planning by ensuring a more predictable flow of resources on the basis of indicative limits over a three to five year period and the simultaneous programming of recurrent and investment expenditures and both internal and external financing; and
- improve the efficiency of expenditure, by requiring line agencies to define their mission, objectives and activities and, where possible, link expenditure to measures of performance in terms of outputs and outcomes.

In essence, the MTEF consists of a “top-down” resource envelope consistent with macro-economic stability, a “bottom-up” estimate of the current and medium term cost of existing national priorities and a framework which matches these costs with available resources through an iterative decision-making process. (Foster and Fozzard, 2000)

An MTEF can be defined within the context of a medium-term framework. A medium-term framework can evolve through three development stages:

It begins as a medium-term fiscal framework which is a statement of fiscal policy goals and a set of integrated medium-term macroeconomic and fiscal targets and projections.

The next step is a medium-term budget framework, comprising both the medium-term fiscal aggregates and a set of integrated, consistent medium-term estimates broken down by spending agency. The idea is to express strategic priorities in terms of medium-term resources, thus providing a measure of budget predictability to spending agencies while respecting the constraints of fiscal discipline.

The medium-term budget framework might be considered the most basic type of a medium-term expenditure framework. Taken in this sense, medium-term expenditure frameworks and medium-term

budget frameworks are synonymous.

Medium term-expenditure framework initiatives as they have been implemented in practice have often involved additional budgetary innovations aimed at moving towards activity-output- or outcome-based budgeting. Reforms that seek to improve operational efficiency in addition to reinforcing fiscal discipline and improving strategic prioritizations are called *extended medium-term expenditure frameworks*. (Jones and Lawson 2000)

MTEFs are important because they are used to clarify the expected level of available internal and external resources and how these resources will be utilised. Donors can use the expenditure framework as a basis for deciding whether the Government plans to allocate resources in line with its stated priorities. This can be very important where donors are providing funding direct to Government and not assigning it to particular uses

There are two key questions here for donors:

- **How much financial support should they provide and when and for what** - to ensure sector programmes are affordable and sustainable and that funding flows are predictable.
- **How to channel it** - to increase aid effectiveness by making maximum use of government systems, and thereby strengthening these systems and capacity and keeping down transactions costs.

In terms of channelling resources, there are no firm rules on how a sector programme must be funded. Most programmes currently use a mix of funding arrangements. Most support for sector programmes is still provided through projects as some donors are not allowed to disburse through government systems or because they have concerns about the effectiveness of such systems. Funds can be earmarked to specific projects, particular programmes within the sector (earmarked budget support) or they can be totally unearmarked (sector budget support). But it is important to remember that under a SWAp these projects must be consistent with Government policies. The issue of separate projects is covered in more detail in [Section 5](#).

2.1.3 A performance monitoring system

This is a means of measuring the performance of the sector as a whole and is used to measure progress towards the achievement of policy objectives.

The key here is to agree on a set of indicators which, when taken together, give a reliable picture of how the sector is performing. They should also identify problem areas which require further action. To do this it is necessary to select a fairly manageable number of indicators – around 30 would be ideal.

It is also important that M&E considers the performance of donors – not just that of Government.

2.1.4 Partnership arrangements

The last three components can be grouped as partnership arrangements. What exactly is **Partnership**? In broad terms it involves:

- a formalised process of donor co-ordination
- an agreed process for moving towards harmonised systems (definitions below) for reporting, budgeting, financial management and procurement
- a systematic mechanism of consultation

Various more detailed definitions of partnership exist.

Partnership and Harmonisation: Various Definitions
<p>Partnership</p> <p>Partnership is defined as a collaborative relationship between entities to work toward shared objectives through a mutually agreed division of labour. At the country level, this means engaging, under Government leadership, national stakeholders and external partners in developing, implementing, and monitoring a country's development strategy. (World Bank 2003a)</p>
<p>Partnership refers to an agreed-upon arrangement between two or more parties to work collaboratively toward shared objectives – an arrangement in which there is (i) sharing of work, responsibility and accountability; (ii) joint investment of resources; (iii) shared risk-taking; and (iv) mutual benefits⁶. (Demirjian 2002)</p>
<p>There is increasing emphasis on the principle of partnership in relations between first, donors and governments, then potentially more widely open with civil society. This is contrasted with relations between ODA agencies and governments receiving their assistance that have in the past sometimes been confrontational and with conditionality acting as a form of coercion to try and limit the fungibility of ODA. There are several basic requirements for partnership:</p> <ul style="list-style-type: none"> • Agreement between government and donors on the objectives of development cooperation and the ways of achieving them • A clear understanding of the rights and responsibilities of each party • National ownership of development policies and programs • An open and transparent policy dialogue between donors, governments and civil society to ensure that the interests of all stakeholders are taken into account • A long-term commitment to working together based on trust and mutual accountability. <p>Jones and Williams (2002)</p>
<p>Ownership and partnership are overlapping concepts. A difference between them is that the outer boundaries of donor-recipient relationships are more clearly articulated in discussions of partnership. [...] As they are understood in Swedish development discourse, then partnership appears to be the more comprehensive of the two concepts. It covers partner country ownership and it also embraces the claims of the donor. (Molund 2000)</p>

⁶ The author intends this definition to be an elaboration of earlier definitions, and argues that the managerial implications are clarified when the various dimensions of partnership are specified.

Partnership is a relationship grounded in common values and mutual trust. It is a relationship where “goals, conditions, obligations, roles and responsibilities” are clearly defined and mutually acknowledged, and where the parties show each other respect and deal with each other as equals. (Sweden, Ministry for Foreign Affairs 1997)

In a partnership, development cooperation does not try to do things for developing countries and their people, but with them. Development cooperation must be seen as a collaborative effort to help developing countries increase their capacities to do things for themselves. Paternalistic approaches have no place in this framework. In a true partnership, local actors should progressively take the lead while external partners back their efforts to assume greater responsibility for their development. (OECD-DAC 1996)

Donor Harmonisation

Donor harmonisation involves two or more donors moving closer together by (i) sharing information, or (ii) adopting common systems and procedures, or (iii) adopting joint working arrangements that include shared decision-making.

This is distinguished from the broader definition of **aid coordination** which is a process embracing both donors and partners and which should be led by partners. Donor harmonisation will frequently be a second-best solution compared to aid coordination led by partner countries. But harmonisation can provide a useful route to stronger, more sustainable forms of aid coordination. However, care needs to be taken to consult fully with partner countries to ensure that donor harmonisation is in the interests of partner countries. Done well, donor coordination can complement aid coordination by expanding the scope for joint working and by facilitating efficient systems and procedures.

OECD-DAC (2002a); OECD-DAC (2002b)

Partnership is operationalised in different ways in different settings. Key dimensions include:

- **Oversight and coordination.** This process should be led by Government and is usually done through high level liaison groups or steering committees with participation from key stakeholders. There is usually a defined annual review process and agreed processes to appraise, monitor and evaluate and design sector programmes. Separate donor coordination groups can also help by ensuring donors come to meetings with Government with a common voice and thus save Governments time and energy.
- **Technical issues.** Specific issues are typically dealt with by technical working groups or ad hoc studies ideally commissioned by the overall steering group.
- **Agreed, formal “Rules of the Game”.** These are usually set out in the form of a Memorandum of Understanding or Code of Conduct, which spells out the obligations of different partners.

2.2 Looking beyond SWAps: other aid instruments

We also have to recognise the possible shortcomings associated with SWAps. It is particularly important to remember that by working at the sector level it is not possible to address some of the “**big issues**” which are essential preconditions for achieving sustained improvements in health outcomes

2.2.1 What do we mean by the “big issues”?

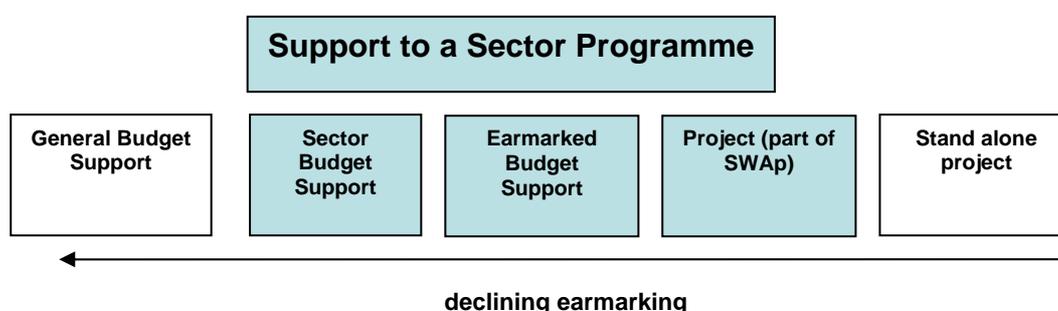
Here we are thinking in terms of:

- public sector staffing issues (motivation, training, supervision and career paths) linked to broader civil service reforms;
- financial and public expenditure management issues (e.g. failure to allocate resources to priority programmes, failure to provide funding according to the budget, limited freedom to reallocate resources towards their best uses);
- public sector reform issues such as decentralisation.

Much can be done within SWAps to influence these processes. Donors and Ministry staff can bring these issues to the attention of senior policy makers in the Ministry of Finance and make them aware of what impact they are having on sector performance. However, it is difficult to actually *address* these issues from a sector perspective. Experience has shown that it is difficult to drive public financial management (PFM) reforms from within a line ministry, but if there is a reform programme within the finance sector there can be widespread gains for the health sector programme.

Depending on the conditions within each host country and the presence or absence of a wider PFM reforms agenda, a number of donors have used a different approach (**general budget support**) to begin working with Government to actually begin addressing these big issues. Some donors already provide **sector budget support** – funds which are pooled with those of Government and distributed through Government systems and can be used for any purpose *within* the sector as long as it supports the sector programme.

However, **general budget support** goes a step further by contributing to the overall national budget, with conditionality focusing on policy measures related to overall budget priorities and not that of any individual sector.



DFID, for instance, has now left the health SWAp in Tanzania and is providing its support directly the Ministry of Finance. In practice, it does not earmark its funding for any particular purpose or sector. Such an approach might make sense where a donor

feels that processes at the sector level are well developed and working well, and that the main constraints to further progress lie outside the sector.

DFID and the World Bank have also applied a different approach to different circumstances in Bangladesh with its “time slice financing” approach to reimbursing the government of Bangladesh for expenditure it first has to incur. The percentage rate of reimbursement from the SWAp pool fund is agreed at policy dialogue level and will reflect progress on key reform issues.

[Section 4](#) will look in more detail at the process through which donors may make the transition from a pre-SWAp situation to the establishment of a SWAp, the development of pooling arrangements and ultimately a shift beyond SWAps to general budget support.

2.2.2 Some conclusions: which approach is best?

We have seen that various approaches can be adopted: projects (either inside a sector programme or stand alone), support for a sector programme (either through project or budget support) and general budget support. Which approach is best?

Ultimately, the answer depends on the country situation. More than one aid instrument can co-exist in support of poverty reduction. Indeed, many donors are unwilling to use just one approach and prefer to spread risks by using more than one approach.

Projects can have a valid role where SWAps or budget support are not appropriate. They can also make sense in certain limited circumstances *alongside* SWAps or budget support. Design should always aim to promote coordination and minimise transaction costs. Approaches need to be tailored to local needs, considering the current aid management arrangements and the degree of commitment towards poverty reduction and improving governance.

Sector programmes are usually a major step forward in terms of improving aid effectiveness, though they need to be seen as a long term effort and may not always have an immediate effect on outcomes. There are some pitfalls, limitations and risks which need to be considered, though evidence on best practice is now well developed and steps can be taken to minimise such concerns.

We also need to remember that sector programmes act at the sector level, and they are not always able to adequately address the major cross cutting issues necessary to achieve sector goals.

Other instruments such as **budget support** may have an important role to play in some circumstances. They adopt many sector programme principles – in practice they support a *national* programme rather than a *sector* programme – but they also allow key cross cutting issues to be addressed. They can complement programmes of support at the sector level, or replace them. Although their use is increasing, it is still fairly limited mainly because they pose very high levels of fiduciary risk (i.e. the concern that funds will not be used as agreed).

3. UNFPA and Sector Wide Approaches

This section looks at the broad implications for UNFPA of engaging with SWAps, both as a means to achieve the Millennium Development Goals, and on a very practical level, in terms of the changed ways of working required by the new approach.

[3.1 UNFPA policy](#)

[3.2 How could UNFPA add value to SWAps?](#)

[3.3 New ways of working: implications for UNFPA staff](#)

3.1 UNFPA policy

UNFPA's policy is to actively engage in SWAp processes both as a full partner and under the overall guidance, leadership and responsibility of government.

UNFPA has been encouraged by its board⁷ to:

- a) take an active part in the policy-making and planning stages in SWAps in programme countries;
- b) broaden and strengthen the competencies required to secure full and active participation of UNFPA in the policy-making and planning stages in SWAps; and
- c) consider further, in consultation with partners, challenges and opportunities for full-fledged involvement by UNFPA in SWAps and to examine the need for changes in administrative and financial regulations that could facilitate such involvement, taking into account the multi-year funding framework (MYFF)

The emphasis is on UNFPA as a *collaborating partner* rather than as a *funding partner* – offering technical expertise, experience and know-how especially in the areas of reproductive and sexual health, reproductive rights, population variables, gender equity and equality and the empowerment of women.

3.2 How could UNFPA add value to SWAps?

There are a number of ways in which UNFPA involvement could add value to SWAps.

So far, SWAps have displayed two main weaknesses:

- a failure to develop the multisectoral dimension: SWAp processes have tended to be confined within Ministry boundaries, and have rarely attempted to address broader issues such as gender and education properly; (see box below)
- a tendency to emphasise the role of the public sector, despite the fact that in many countries over three quarters of services are provided in the private sector and funded by individuals.

UNFPA, and other members of the UN family, have accumulated extensive experience in working in a multisectoral manner (see box below) and also with the private and NGO

⁷ UNFPA Executive Board Decision 99/4. <http://www.unfpa.org/exbrd/decisions/deciset.htm>

sectors. UNFPA could use this knowledge to improve the quality of sectoral approaches and to further promote more effective use of aid. This is also reflected in external views about how UNFPA can contribute to the development process:

... “Partners and stakeholders believe UNFPA’s comparative advantages to be: UN status with ability to address the Cairo agenda from a politically neutral stand; global reach; close working relationships with governments; and the Fund’s ability to play a bridging role between governments and civil society on sensitive issues of this agenda, paying special attention to the cultural context.” (UNFPA 2002c)

SWAps and Multisectoral Working

A SWAp offers the opportunity to **promote cross-sectoral work**. SWAps need to liaise with other sectors – for example about sex education in schools, or domestic violence. While cross-sectoral work has often proved problematic for SWAps, SWAp partners often recognise UNFPA’s strength in dealing with this challenge. Examples of possible cross-sector work are:

- Inviting other sectors to participate in relevant monitoring activities. For example the education sector could be interested in adolescents’ knowledge about safe sex.
- Including cross-sector activities in sectoral plans of action (and funding them). For example the Nutrition Unit may explicitly be asked to explore how it can link in to the work of agricultural extension officers.

In addition, SWAps often highlight the need to **work with other ministries**. Some human resource plans may need the approval of the Ministry of Establishments (or similar); disbursement will inevitably involve the Ministry of Finance; and the Ministry of Justice may be involved in granting autonomy to a particular institution.

Involvement in a SWAp provides the opportunity to demonstrate how a sector can systematically integrate cross-cutting concerns such as gender. This was specified as one of the major advantages of SWAps in the report to the 2002 UNFPA annual session (UNFPA 2002a).

3.2.1 Improving reproductive health outcomes

From UNFPA’s perspective the overriding question is whether engaging in sector wide approaches will improve reproductive health outcomes. Participating in sector wide approaches is a means to this end. The fact that SWAps aim to build capacity and strengthen systems can only support UNFPA’s mandate.

In broad terms we cannot expect reproductive health programmes, however well conceived, to have the desired results if health systems are weak. Improving reproductive health services in the context of a weak health system may result in situations where for example:

- Staff are trained - but are not paid on time, and are rarely on duty;
- Services are provided free at the point of delivery - but health staff require under the counter payments which are not affordable for the poor;
- A good contraceptive procurement system is installed - but supplies are not distributed on time;

- Primary facilities identify conditions - but there are no referral facilities or treatment options.

Effective reproductive health services do not require perfect health systems. However, they can be a catalyst for change, and it is only through a broader sector wide approach that governments can begin the long process of strengthening systems.

SWApS could therefore help deliver reproductive health benefits in a number of ways:

They offer the possibility of developing sector policies which better reflect reproductive health issues and concerns.

By participating actively in high-level meetings as well as technical working groups, UNFPA would have the potential to influence government policy, mobilise support around MDG and ICPD targets and therefore have a strategic influence on the sector as a whole. This should be done selectively focusing on neglected areas where UNFPA has specific expertise.

They could increase the share of available resources going to reproductive health.

The aim of the SWAp is to increase the overall efficiency and effectiveness of resource use, and to create a health system which is more responsive to implementing government policies and priorities. If, partly as a consequence of UNFPA influence, Government commitment to reproductive health increases, this should be reflected in greater allocations and a higher likelihood of effective implementation.

They can help strengthen systems.

Sector Wide Approaches generally support health system reform programmes. Many reproductive health (RH) issues are of a cross-cutting nature that cannot be addressed by simple projects. Health systems reform, by emphasising issues such as better planning, supervision and monitoring, integration of services and appropriate staffing and payments, can help to address these problems for all sector activities including RH.

3.2.2 Key issues for UNFPA

There are other factors suggesting the need for greater participation of UNFPA in SWApS.

First, participation in a SWAp would **enhance UNFPA's credibility**. An agency that recognises the merits of the approach but does not take part in a country's SWAp loses credibility amongst other donors. This could be a crucial issue for UNFPA where those donors are also contributors to its programme and may be looking increasingly critically at how UNFPA implements its mandate.

Second, **there is a demand from others for UNFPA to participate in SWApS**. Other donors and countries value UNFPA's technical advice in the area of reproductive health and also its contribution in the areas of gender, HIV/AIDS and adolescent health. As a UN technical agency its neutrality and role in developing global standards is highly valued. Its experience of multi-sectoral working is also seen as a major advantage, as this is an area where SWApS have struggled.

3.3 New ways of working: practical implications for UNFPA staff

Engaging in a SWAp would not only affect the way UNFPA is viewed among donors and countries, but would also require different ways of working, and in particular increased collaborative working with a wider range of stakeholders. The following looks at what this would mean in practical terms for UNFPA staff.

SWApS emphasise policy, not details.

As part of a SWAp process, donors have more open discussion with senior government officials on higher level policy issues and need to be able to work together to advocate for policy and priority changes.

UNFPA staff would need to:

- be involved in the SWAp discussions from the very beginning in order to safeguard reproductive health and other issues of concern;
- ensure that health sector components of a reproductive health sub-programme form part of any health SWAp and are not planned as separate activities;
- ensure that any funding for the sector is part of the national budget;
- be active in SWAp discussions, making full use of the available knowledge base;
- be selective and prioritise key policy issues to be pursued, and build coalitions with other partners in taking these agendas forward;
- present experiences and information in such a way that the relationship with wider health issues (e.g. health reforms) are clear;
- have a strong understanding of how decisions are made within the sector, and ensure this knowledge is used effectively;
- relate to a number of different partners within the MoH in addition to the Reproductive Health unit.

SWApS imply Government - not donor - leadership.

In the past donors have often been too powerful in setting sector priorities. They have introduced major distortions “forcing” Government to spend money on activities - not because they were Government priorities but because the money was available and earmarked for specific purposes only. This is a real problem where countries are heavily dependent on aid.

Under a SWAp a government takes the lead in determining sector priorities, identifying strategies and establishing the processes necessary to implement them. This usually means that a) the government meets with donors as a group, rather than as individuals, and takes on an active coordination role; and b) donors fund core government functions rather than separate project structures.

For UNFPA staff, this would mean:

- focusing on advocacy and *influencing* the way Government sets its priorities and allocates its resources. In the past it has been possible to earmark funding for very specific activities or budget lines and ensure certain outcomes are achieved. Under a SWAp one cannot guarantee specific strategies or activities to take place - such decisions are made by Government. It is necessary to try and *influence* the scope

and content of any sector programme being developed through a SWAp through dialogue with Government and other key stakeholders;

- working with a wide range of stakeholders. For instance, it might be necessary to work closely with other parts of the Ministry, especially the Planning Departments.

Different arrangements for monitoring and programme review.

When most Ministries of Health already suffer from severe capacity constraints, servicing numerous donor missions only adds to the burden they face. Under a SWAp donors no longer carry out individual monitoring of “their” projects. This frees up Government staff to do their real jobs – running their Departments and working to improve the health of their population.

Monitoring under a SWAp should take place through **joint reviews**. In effect, this replaces a multitude of reviews conducted throughout the year (often at inconvenient times) with a single and more intensive process. This is conducted according to a timetable which suits Government, and usually consists of a joint meeting to review and agree on past performance and to plan the way forward and commit financially to this.

The reviews are led by Government but should involve all key stakeholders. There is usually an annual review process with an assessment conducted by independent consultants. Progress is measured against a series of agreed **sector performance indicators** which draw on information from a variety of sources, including routine data collected through health management information systems, or data collected through periodic surveys such as a Demographic and Health Surveys. Sector performance indicators are usually fairly limited in number and cover a variety of levels from impact (e.g. maternal mortality) to process (e.g. progress in implementing new systems or strengthening existing ones). Their aim is to give a *balanced* picture of the performance of the sector (and not necessarily a complete picture).

The implications for UNFPA staff are that:

- there will be a need to make the case for the inclusion of reproductive health indicators in the overall list of sector indicators may be needed. Staff involved in the meetings in which sector indicators are chosen would need to be well prepared with convincing arguments for inclusion of the indicators considered essential.
- The review process becomes an opportunity to raise awareness on the importance of reproductive health indicators – especially neglected ones such as gender – amongst other partners.
- It would also be necessary to ensure that the annual review process and assessment are supported by sufficient reproductive health expertise. Staff would need to judge the extent to which they could support the process, or find alternative means of providing such support.

Different financing arrangements

Although UNFPA’s strength lies in its technical expertise it is important that staff are aware of some of the issues involved in sector financing, in order to ensure that the agency provides support in ways which maximise its influence and impact at the policy and implementation level. For UNFPA staff this would mean that:

- UNFPA spending plans need to be transparent. Any Sector Programme developed as part of a SWAp process needs to be affordable. To be sure that this is the case, Government needs to have a reasonable idea of how key donors intend to support

the Programme (how much? when? for what?). UNFPA, in line with other donors, will need to be open and transparent about its future funding intentions, making Government aware of what it plans to deliver and when – and also deliver on these commitments. The agency would also need to fit in with the Government budget cycle (rather than the UNFPA cycle) and provide information in a format requested by Government (rather than UNFPA formats).

- Sector expenditure plans as a whole need to be assessed. A Sector Programme implies a “single sector policy and expenditure programme”. The most important consideration with regard to funding a Sector Programme is not so much what funding modalities are used but whether it is possible to see what they all add up to, and what the funds will be spent on. In order to be able to agree on funding priorities (particularly when resources are scarce in some highly aid dependent countries) Government and donors need to be able to look together at what resources are available overall to the sector over the next few years, from both government and donor sources. Future spending intentions are often set out in a [medium term expenditure framework \(MTEF\)](#).

In short, as part of a SWAp process staff would need to assess not just the budget of the reproductive health unit (as would be the case under a project based approach or through a reproductive health programme) but sector expenditure plans as a whole, and assess what implications this has for reproductive health. The question of how to channel funds in support of a Sector Programme would also have to be considered. Should one continue to earmark support for discrete activities, or should one be willing to pool funds with other donors? The next sections will look at this issue in greater detail.

3.3.1 Summary of implications for UNFPA

To summarise the key implications of SWAps and relevance for UNFPA:

How does the approach differ under a sector programme (compared to a project approach)?

There are changes in the relationship **between donors and Government ...**

- multi-year programming of aid.
- use of common performance indicators
- establishing a common framework for aid co-ordination
- providing full information on aid flows.
- support leadership in aid co-ordination

... within the donor community ...

- more sharing of information
- explicit agreement on roles
- sharing examples of common procedures
- Less reliance on global common procedures

... as well and changing practices within donor organisations:

- There is a need for top level advocates of harmonisation
- decentralisation decision-making
- ensuring programme managers' awareness of the degree of flexibility
- better management of human resources

Why will this make it easier to achieve our sector goals?

Jointly developed and owned strategies and vision are more likely to be implemented.

How can UNFPA influence the process?

UNFPA bring particular strengths to the table. It has long standing experience of dealing with NGOs and institutions outside the health sector and may help bring them into the policy debates.

What are the advantages of being *inside* the sector programme rather than *outside*?

Remaining outside any SWAp process would leave UNFPA outside many of the key debates which affect reproductive health outcomes. UNFPA's capacity to influence others and benefit from the experience of other stakeholders would also be severely limited.

3.3.2 Conclusions

This section has shown the potential advantages for UNFPA of supporting sector programmes. In short, supporting a SWAp would offer:

- the possibility of developing sector policies which better reflect reproductive health issues and concerns;
- a potential to increase the share of available resources going to reproductive health;
- improving health systems – leading to improvements in the quality of all health services;
- enhancing UNFPA's credibility and ability to influence policy.

SWAps also have potential drawbacks and limitations, which would need to be recognised, together with possible ways to address them. In particular, some of the “big issues” (which are essential preconditions for achieving sustained improvements in health outcomes) cannot be addressed by working at the sector level. Examples of “big issues” are:

- public sector staffing issues (motivation, training, supervision and career paths) linked to broader civil service reforms;
- financial and public expenditure management issues (e.g. failure to allocate resources to priority programmes, failure to provide funding according to the budget, limited freedom to reallocate resources towards their best uses);
- public sector reform issues such as decentralisation.

However, there is much that can be done within a SWAp to influence these processes - not least the fact that donors and Government can bring these issues to the attention of senior policy makers in the Ministry of Finance and make them aware of what impact they are having on sector performance. As seen earlier, a number of donors have used a general budget support approach to begin working with Government to address the big issues.

4. The SWAp in detail

This section introduces the detail – the “**nuts and bolts**” – of how to support a sector programme.

It describes the process through which the SWAp is established – from the development of the policy and various partnerships processes (coordination; consultation and harmonisation) to financing issues (MTEFs; how to channel resources; conditionality; earmarking; accountability; pooled funding).

For each component, specific questions and considerations for UNFPA are highlighted throughout the section.

[4.1 Policy and strategy development](#)

[4.2 Partnership processes](#)

[4.3 Performance monitoring](#)

[4.4 Financing issues](#)

4.1 Policy and strategy development

The various stages of this process can include:

- a **sector policy**;
- a **sector strategic plan** – often preceded by a formal “Statement of Intent”;
- a **medium term plan and budget** (which could be separate or part of the strategic plan);
- a signed **Memorandum of Understanding** between Government and external development partners (which may be preceded by a “**Statement of Intent**”) which might incorporate a **Code of Conduct** which would set out how disputes might be resolved;
- agreed **milestones** for assessment (leading up to a performance monitoring plan).

This process usually takes place through a range of stakeholder meetings, often over a considerable period of time. The sector policy process can also be used to influence national processes as well as vice versa. In practice, there is often a mismatch between what is said about a sector in a PRSP, for example, and what is included in sector programmes. This issue is explored further in [Section 5](#).

Sectoral Policy

A sectoral policy is a statement of government’s objectives within a sector and a summary of how they will be achieved. It explains the proposed role of government and non-government agents within the sector. It distinguishes activities to regulate provision of services by the market from direct financing or delivery of services by government. Often it will include a set of objectives relating to the intended level of access to government services, the minimum acceptable quality for those services and the charges which might be levied for them, if any.

Sector policies usually emerge from a range of decisions by government - some legal, some administrative, some budgetary. In order to determine what the sector policy is, it is often necessary to refer to several documents. Over time the clarity of objectives and strategy may be lost, with duplications and inconsistencies arising. Issuing a single sectoral policy document makes policy more transparent so that a coherent, unified approach may be re-established. (EC 2003)

A sector policy needs to be consistent with Governments' overall national strategy as set out in the PRSP (if there is one). The document itself should be authored by Government and endorsed at a high political level

The policy should set out clearly the basic principles, objectives and strategies for the sector. It should not be a rigid blueprint – rather it should set out a clear process by which the policy is modified and updated. In terms of detail – it should focus on what is important. It cannot address all outstanding issues but should set out clear principles upon which decisions can be made. The policy needs to be endorsed at a high political level both by Government and parliament, and by civil society.

A coherent and consistently applied sector policy is at the heart of any successful Sector Programme. But what constitutes a “good policy”? To answer this, it is useful to ask a number of questions, some broad and some more specific.

How good is the policy? A checklist

Broad issues

1. Is it consistent with government's own national strategic objectives and your own agency's mandate?
2. Is it based upon an appropriate, affordable and feasible vision of the role of government?

Specific issues

3. Are the stated sector policy objectives clear? Is the strategy for achieving them coherent and readily understandable?
4. Does the sector policy provide a good basis for deciding how to allocate resources?
5. Do policies on service delivery include specific targets for access, defined quality norms and a clear statement of the intended level of public subsidy?
6. Does the strategy appear affordable (in terms of projected resources over the medium term) and feasible, in terms of managerial and absorptive capacity?
7. Are the objectives of the sector strategy consistent with the government's own national strategic objectives, as reflected in the PRSP, for example?
8. Is there proper attention to the issue of gender equality and to the cross-cutting issues of development policy?
9. Has the policy been based on a structured process of consultation and involvement of sector stakeholders, including civil society?
10. Does it draw upon quantitative or qualitative survey data about the demands and concerns of the main users of government services in the sector?

Role of Government

11. Is the intended role of government in the sector well defined? Is the rationale for the intended role clearly presented? Is there a distinction drawn between a market management (or regulatory) role, intervention to correct for market failure and intervention for social objectives?
12. In planning a sector strategy to correct for market failure has attention been given to the different options available for government action, specifically – regulation of private sector providers, taxes and/or subsidies to redirect private behaviour as well as direct provision of services by government?

13. Where the role of government is perceived primarily in terms of social objectives, such as direct alleviation of poverty or hunger, have the target groups been clearly specified and has a feasible strategy for reaching them been defined?
14. In terms of the planned provision of services by government has a distinction been drawn between the *financing* and *delivery* of public services?
15. Does the approach to the *delivery* of public services take advantage of the potential efficiency gains that may be offered by contracting out government services to NGOs or the private sector?
16. Does it also take account of the complications of contract definition, management and supervision in choosing which delivery functions to contract out?
17. Taken as a whole is the sector policy based upon an appropriate, affordable and feasible vision of the role of government?

Consistency with the national development policy

18. Are national development objectives clearly stated and coherently presented with relevant quantitative and qualitative targets to guide decision making?
19. Do strategic targets appear on the whole realistic and affordable, given what is known about the likely prospects for revenue expansion and receipt of external funding?
20. Does it give adequate attention to poverty reduction, sustainable development, promotion of the private sector and integration into the world economy?
21. Does it adequately address the cross-cutting principles of gender equality?
22. Was the strategy based upon national consultative processes, involving structured inputs from political representatives, civil society and the private sector?
23. How far is the strategy supported by other external funding agencies?

Clarity on roles and responsibilities

24. Is the mission and role of the sector ministry clearly understood?
 25. Are there inconsistencies between the *de facto* role of the Ministry, the role envisaged within the Sector Programme and the *de jure* role defined in law and in public service orders? Are these inconsistencies of sufficient significance to create the potential for confusion?
 26. Are the regulatory and service provision functions of the ministry well defined?
 27. In the area of service provision is there a distinction drawn between *financing* and *delivery* so as to permit the contracting out of service delivery to the private sector or NGOs?
 28. Is the regulatory framework for the participation of non-government agents in the sector clearly defined?
 29. Perhaps more significantly is the regulatory framework respected? Or is it subject to arbitrary decision-making and potentially corrupt practices?
 30. Is the relationship between the sector ministry and the Ministry of Finance well structured and positive?
 31. Is there clarity in the arrangements for service provision at the decentralised level? In particular, are the relative roles of the sector ministry, other central level ministries, local governments and local - level associations clearly defined? Does this adequately cover requirements for financing, service delivery, setting of standards and norms and supervision and inspection?
 32. In so far as there exist weaknesses in any of these areas, to what extent are they likely to constrain the implementation of the Sector Programme? Can they be addressed and, if so, has adequate provision been made within the Sector Programme?
 33. If they cannot be easily addressed in the short to medium term, have the implications for the design and implementation of the sector programme been properly considered?
- (Adapted from: EC 2003)

4.1.1 Policy and strategy development: summary of issues for UNFPA

How is the provision of sector support different from a project approach?

The main differences are that:

- Key stakeholders have an **opportunity to debate important sectoral issues**;
- The overall thrust of the sector policy and strategic plan is **agreed by all partners** - though they might disagree on some of the details. It may take longer to develop them but is worth the effort;
- There is an **overarching sector strategy**, a single programme of work with a single expenditure plan rather than a plethora of discrete projects which reflect donor rather than Government preferences and are, at best, only loosely linked to national priorities;
- There is **greater transparency** in financing, meaning that the strategies developed are likely to be both more affordable and more sustainable and that it is possible to assess the consistency between the allocation of resources and national priorities;
- There is **clearer accountability**, with agreement on who is responsible for what and the principles which underpin the partnership arrangements;
- There are **agreed common targets** and a recognition by donors that it is important to monitor the performance of the sector as a whole rather than just the parts they are funding.

Will this make it easier to achieve our sector goals?

A SWAp should lead to more coherent (pro-poor) policies and because the vision is shared, the chances of effective implementation should be higher. As a result this should improve health outcomes in the medium to long term.

How can UNFPA influence the process?

UNFPA could bring a range of important issues to the table. Typically, under a Sector Programme the activities covered are those directly under the responsibility of the Ministry of Health. The emphasis tends therefore to be on public spending by the Ministry of Health and local Government. In practice, we know that most health services, including reproductive health services, are often delivered or financed by the private sector - whether by for profit or non profit organisations. Also, we know that health outcomes are highly dependant upon inputs from other sectors, especially education and water and sanitation. Though many policy documents talk about the need for **multisectoral thinking** very few succeed. Examples of key cross cutting issues which tend to be neglected include: youth, empowerment of women, female genital cutting, the age of marriage of girls, or HIV/AIDS prevention. These are all areas where UNFPA would have the potential to influence the debate.

Results could not be ensured as might have been possible under projects. Instead, by supporting a sector programme the aim is to **influence**. This would require:

Increased emphasis on advocacy. The Agency would need to use explicit and complementary efforts to advance its policy agenda and raise its profile in the development arena through:

- promoting support for ICPD goals in the framework of poverty reduction and its contribution to attainment of the MDGs;
- articulating a clearer policy agenda in the areas of sexual and reproductive health and rights, gender equity and equality and women's empowerment, and population and sustainable development in the context of regional priorities and country needs;
- strengthening and coordinating partnerships with other stakeholders in support of ICPD and recommendations emanating from relevant international agreements and conferences;
- mobilising resources for implementation of ICPD at global, regional and national levels;

Acting in a more strategic manner. It has been argued⁸ that UNFPA has failed to act in a strategic manner in the past:

“instead of aspiring futilely to attend to larger proportions of the total population in each country directly through inherently-limited UNFPA-funded activities, emphasis would be placed on marshalling a broader base of resources for the same outcomes”.

“many Country Programmes (CPs) and projects are still centred on activities and services, without adequate consideration of their potential for replication, generalisation or sustainability. Too often, such activities affect only a small proportion of the total population in need, do not contribute towards new approaches or perspectives, and their impact fails to extend beyond the duration of the project”

*“The effectiveness of the Fund’s programme interventions, and consequently its visibility and ability to play an effective role in broad development programming exercises, is **sometimes hampered by a compartmentalized approach to critical issues within or relevant to its mandate.** This prevents the Fund from bringing together, in a cohesive and synergistic manner, the full complement of its diverse expertise to solve specific problems or address critical issues at the national, regional and global levels”*

Regardless of whether these statements are fair, what might be done about this? The following are examples of what could be a more strategic approach to programming.

- ❖ In **China**, the country programme provided assistance to the Government in 32 counties to move from an administrative family planning approach to a client-oriented, quality RH approach. This successful experience led to the expansion of the new client-oriented, quality RH approach to 827 additional counties by the Government.
- ❖ In **Mexico**, The Fund’s technical expertise in population, poverty and environment enabled a small-scale poverty reduction project, designed by the Country Office for Chiapas (one of the country’s poorest regions), to attract resources from the UN Foundation. This, in turn, triggered responses from both the Federal and State governments so that total resources in the order of some \$15 million dollars will be made available for a broad-based poverty reduction strategy. In a similar way, the Fund’s comparative advantages in the area of data collection and analysis, plus its availability of technical expertise, has enabled it to help many countries mobilise sufficient resources for the execution of much-needed population censuses.

⁸ UNFPA 2002c

Achieving influence also depends on the use of **good tactics**, and requires the identification of **appropriate entry points** which would allow the organisation to maximise its influence:

*“Population and development data and policy efforts can serve as a solid entry point for UNFPA into broader development dialogues (much as contraceptive commodity security work provides the Fund a “seat at the table” for broader discussions of reproductive health). UNFPA’s position as a development agency is enhanced by its activities in this area and its support to capacity building in regional, national and sub-national institutions”.*⁹

What are the advantages of being *inside* the sector programme rather than *outside*?

Being outside the SWAp would mean that UNFPA would not be able to fully participate in the ongoing policy dialogue. Whilst it may still engage with the Ministry on technical approaches and issues directly related to its mandate, it would have little or no influence over some of the broader policy issues which affect reproductive health outcomes.

4.2 Partnership Processes

Partnership processes encompass **coordination, consultation** and efforts to **harmonise** approaches.

There is no single approach to developing partnership arrangements. In fact, they rarely come about through neat, sequential stages. Rather, they evolve – they start out with “loose agreements” on policies and programming priorities, then move, over time, to more formalised agreements and commitments and more structured ways of working together.

Formal Partnership Agreements may include:

- A **Statement of Intent**: e.g. to proceed with sector wide approach (Ghana, Indonesia; Mozambique);
- A **Collaborative Programme of Work**: to include annual agreements on performance objectives and milestones for each of its main components (Ghana, Tanzania, Uganda);
- A formal **Memorandum of Understanding** between partners entering into common management arrangements;
- An agreed **Code of Practice** to cover more general issues relating to the behaviour of funding agencies and Government, which are not included in the specific memorandum of understanding (e.g. EU Horizon 2000, Draft Ethiopia ESDP/PAP).

We now turn to the key components and consider some of the major questions which they raise.

4.2.1 Coordination

A government-led coordination system is a key aspect of a SWAp. Indeed government may need support from donors in setting up this process. What makes an effective coordination system? What obstacles may arise?

⁹ UNFPA 2002c

Coordination: A Checklist

1. Is Government clearly leading the co-ordination process? For example, does the sector ministry organise and chair consultative groups, working groups and similar arrangements and provide the secretariat?
2. Is the structure, timing and content of planning and review processes fully clear to all parties?
3. Is there a clear (and efficient) relationship between the structures established for donor co-ordination and the wider consultative networks introduced for the participation of other stakeholders in the Sector Programme?
4. Is there a clear definition of the meaning of participation in the Sector Approach/Sector Programme? Is there a framework for dealing with donors who are not participating?
5. Has the basis of participation been defined and agreed through a Memorandum of Understanding?
6. Does the MoU include agreed procedures for dispute resolution?
7. Is there a parallel process in place to promote donor-donor co-ordination in support of the Sector Programme?

It is also important to remember that whilst the structures are important, it is what goes on within these structures that makes the difference. (Adapted from EC 2003)

The following example from Ghana outlines the approach to consultation that has been adopted in a fairly mature SWAp situation.

Coordination Mechanisms: The Approach in Ghana

Ministry of Health and partners conduct joint annual reviews, bi-annual summits and monthly Health Partners meetings, chaired by MoH. Partners also input into specific technical areas, through Working Groups and Committees. A Memorandum of Understanding (MOU) is produced at each bi-annual summit to guide the agreements between the health sector partners (Government of Ghana and donors). There is also an annual joint partner MOH external review which reports on the progress with the implementation of the programme of work.

All SWAp reviews are joint partner and MoH reviews. The reviews examine local and district level monitoring reviews, regional reviews and national agency reviews, and a joint donor/MoH external review team evaluates overall performance against plans at the apex of this review process. For non-SWAP projects (e.g. JICA) separate project specific reviews take place, however, MoH data monitoring systems are the source of data for reviews for all sides.

There are no separate donor coordination mechanisms in Ghana, however, there are still a number of non-SWAp projects and earmarked activities which require interaction between individual partner representatives and MoH officials in specific technical areas, and separate coordination and planning systems.

The Government of Ghana is firmly in the lead on the SWAp, and GoG has produced all the documents that form the basis for the SWAP. There is currently some tension with partners however about the government's role in "sole" production and ownership of the Programme of Work and less donor involvement in policy debates and monitoring. (Jefferys 2003)

4.2.2 Consultation

Having established a costed sector policy and strategy and set up effective coordination mechanisms, the basic building blocks for a sector programme are in place. However, aid effectiveness can still be enhanced by further steps to develop effective consultation mechanisms, to establish a performance monitoring system and to begin the process of harmonising systems.

Again, there are many ways of structuring the consultation process, and a useful exercise would be to ask a number of questions on how these mechanisms could be improved in a given country.

Consultation: A Checklist

1. Is there a mechanism in place for a structured process of consultation with beneficiaries and other stakeholders and, if not, does there exist a concrete plan to create one?
2. Does the plan differentiate between the different functions which stakeholders may play and the types of information which may therefore be needed? In particular, is there a clear distinction between mechanisms of consultation, where opinions are sought, from inputs into decision-making where stakeholders are party to resource allocation or service management decisions?
3. Is the structure of consultation mechanisms properly integrated with the framework for service delivery? Are local beneficiaries consulted and involved as appropriate? Is there an adequate linkage with local government?
4. Are the difficulties of obtaining representative inputs properly addressed - in particular the difficulties normally associated with obtaining an adequate representation of women?
5. Is there an adequate balance between quantitative surveys and more qualitative, participatory processes?

(Adapted from EC 2003)

4.2.3 Harmonisation

Harmonising systems for reporting, budgeting, financial management and procurement can play a key role in improving aid effectiveness through **establishing Government leadership** (through the strengthening and ultimate adoption of Government systems to channel development assistance), and **reducing transaction costs** (by using a single system rather than multiple systems).

The diagram in the next page shows possible steps towards the **establishment of a harmonised system**. The question of *when* and indeed *whether* to move down this road needs to be based on a thorough assessment of the costs and benefits.

Steps towards the establishment of a harmonised system

Initial Situation

The Government Budget is consistent with the Sector policy but covers little more than recurrent expenditure. Some externally financed projects are programmed in conjunction with Government and included in approved Government planning documents. Most donor projects are **not** programmed in a manner coherent with Government policies and the information on donor projects is incomplete.



Initial Steps

Comprehensive **exchange of information** on externally funded projects, creating at least the potential for unified planning and for government ownership over resource allocation decisions.



Next Stage

Comprehensive programming of all major expenditures in the sector is now taking place, with resource allocation decisions all based upon **one policy and expenditure framework**. Donors provide expenditure reports for the projects they fund according to the Government financial year and using an agreed format. Though a unified planning and resource allocation system has been established, there is still a variety of disbursement and accounting mechanisms in place.



Maturing Process

A **common pool arrangement** is established, thus **unifying the accounting and disbursement systems for externally financed activities**. However this pool still operates in parallel with the government budgetary and accounting system. Though transaction costs of multiple accounting systems are removed, there is no further contribution to unified planning and resource allocation nor to increased ownership.



Ideal Situation

Any pools are combined and brought under Government control using Government procedures. This results in the establishment of a Government-led unified planning, budgeting disbursement and accounting system.

4.2.4 Harmonisation: some lessons of good practice

- It is very important to use Government systems wherever possible, strengthening and adapting them if necessary;
- Developing common procurement systems is important but challenging; However, it can be pursued in parallel to harmonisation of other management systems including the development of pooled funding arrangements;
- Establishing common review processes and timetables is more important than common accounting and disbursement procedures at the outset. Project accounting and disbursement procedures can still be used within a common reporting system;
- The potential for making a direct move to budget support and the use of government procedures should be carefully assessed before embarking on the development of common pool funds;
- Where the use of budget procedures is not possible, common pool funds can represent a major saving in transaction costs if a critical mass of donors commit to their use. When properly structured, they can also serve to reinforce gains already made in the harmonisation of planning, budgeting and reporting systems.

The issue of pooled funding arrangements is covered in more detail in the section on financing.

For a more detailed overview of recent trends in the harmonisation and alignment debate see the Harmonisation and Alignment update by the HLSP Institute.¹⁰

4.3 Performance Monitoring

The figure below highlights the differences between monitoring and evaluation

Monitoring	Evaluation
<ul style="list-style-type: none"> • Continuous • Self-assessment by project implementers and managers • Tracks progress • Verifies whether activities are implemented and results are achieved • Alerts managers to problems 	<ul style="list-style-type: none"> • Periodic, time-bound • Generally, conducted by evaluator(s) external to the programme intervention being assessed • In-depth analysis of actual vs. planned achievements • Answers why and how results were achieved or likelihood of future impact • Provides strategy and policy options

Performance monitoring is a difficult area - typically left to later stages in the process. It requires the timely collection of good quality data, which can be difficult where capacity is weak and motivation to collect data is lacking.

In order to get a comprehensive picture, monitoring is required at all levels: process, outcome, impact. However, it is also important that the number of indicators is kept to a manageable number, so care needs to be taken to ensure that the indicators chosen are

¹⁰ Available at http://www.hlspinstitute.org/files/project/22734/H&A_update-May05v2.pdf

those best placed to give an indication of overall sector performance. Clearly UNFPA has an interest here in making the case for the inclusion of reproductive health indicators. However, compromises will need to be made. Just because certain reproductive health indicators are not included as sector indicators does not mean that they are not important or that they should not be monitored.

Monitoring of donor performance should be (but rarely is) included, particularly in terms of financial investment and disbursement. (have donors provided the funds as they promised?)

Over time, assessing the impact of strategies on poverty reduction and also outcomes at the sector level (especially on the poor) will also be needed. Attributing improvements to the implementation of strategies may be difficult, and benefits may take time to emerge. It is therefore important to identify appropriate intermediate indicators related to health services, and process indicators for progress of reforms.

Performance monitoring systems should generally address the following dimensions:

Process	Efficiency
Outcome	Effectiveness
Quality	Equity

In practice this is not always the case, and they tend to be weak particularly in relation to equity and quality.

4.3.1 Reproductive health indicators

UNFPA and WHO¹¹ have shortlisted 17 indicators for global monitoring.

1. **Total fertility rate.** Total number of children a woman would have by the end of her reproductive period if she experienced the currently prevailing age-specific fertility rates throughout her childbearing life.
2. **Contraceptive prevalence.** Percentage of women of reproductive age (15–49) who are using (or whose partner is using) a contraceptive method at a particular point in time.
3. **Maternal mortality ratio.** The number of maternal deaths per 100 000 live births.
4. **Percentage of women attended at least once during pregnancy by skilled health personnel for reasons relating to pregnancy.** Percentage of women attended at least once during pregnancy, by skilled health personnel (excluding trained or untrained traditional birth attendants) for reasons relating to pregnancy.
5. **Percentage of births attended by skilled health personnel.** Percentage of births attended by skilled health personnel (excluding trained and untrained traditional birth attendants).
6. **Number of facilities with functioning basic essential obstetric care per 500 000 population.** Number of facilities with functioning basic essential obstetric care per 500 000 population.
7. **Number of facilities with functioning comprehensive essential obstetric care per 500 000 population.** Number of facilities with functioning comprehensive essential obstetric care per 500 000 population.
8. **Perinatal mortality rate.** Number of perinatal deaths per 1000 total births.
9. **Percentage of live births of low birth weight.** Percentage of live births that weigh less than 2500 g.

¹¹ WHO 2003

10. **Positive syphilis serology prevalence in pregnant women attending for antenatal care.** Percentage of pregnant women (15–24) attending antenatal care clinics, whose blood has been screened for syphilis, with positive serology for syphilis.
11. **Percentage of women of reproductive age screened for haemoglobin levels who are anaemic.** Percentage of women of reproductive age (15–49) screened for haemoglobin levels with levels below 110 g/l for pregnant women, and below 120 g/l for non-pregnant women.
12. **Percentage of obstetric and gynaecological admissions owing to abortion.** Percentage of all cases admitted to service delivery points, providing in-patient obstetric and gynaecological services, which are due to abortion (spontaneous and induced, but excluding planned termination of pregnancy).
13. **Reported prevalence of women with female genital mutilation (FGM).** Percentage of woman interviewed in a community survey, reporting themselves to have undergone FGM.
14. **Percentage of women of reproductive age at risk of pregnancy who report trying for a pregnancy for two years or more.** Percentage of women of reproductive age (15–49) at risk of pregnancy (not pregnant, sexually active, non-contracepting and non-lactating) who report trying for a pregnancy for two years or more.
15. **Reported incidence of urethritis in men.** Percentage of men aged 15–49 interviewed in a community survey reporting episodes of urethritis in the last 12 months.
16. **HIV prevalence among pregnant women.** Percentage of pregnant women aged 15–24 attending antenatal clinics, whose blood has been screened for HIV, who are seropositive for HIV.
17. **Knowledge of HIV-related prevention practices.** Percentage of all respondents who correctly identify all three major ways of preventing the sexual transmission of HIV and who reject three major misconceptions about HIV transmission or prevention.

As for **common sector indicators**, the UNFPA Policy on Common Reporting suggests that Common reporting arrangements are acceptable, provided that:

(a) the reporting on programme implementation is carried out on an annual basis by a team of experts representing the Government and its development partners, in order to comply with reporting requirements to the Executive Board and other United Nations bodies; and

(b) financial audits of the SWAp programme are carried out annually by either the auditor-general of the Government or an independent auditor, in order to comply with the audit requirements of UNFPA.

The following checklist can be used as a basis for assessing how appropriate your current arrangements are.

Performance Monitoring Arrangements: A Checklist

1. Has a structure for performance measurement been established for the Sector Programme through the leadership of the Government?
2. Has the team responsible for this included senior management within the Ministry as well as statisticians and data processing staff? In short, is there a sense that the issue has been taken seriously at senior levels and that adequate internal consultation has been conducted?
3. Have the other major stakeholders in the Sector Programme been consulted? In particular have consultations involved not only donors and the core sector stakeholders but also the Ministry of Finance and, for decentralised components, the Ministry of Local Government (or equivalent)?
4. Do the performance indicators selected respect the SMART principles, in being Specific, Measurable, Affordable, Relevant and Time-bound?
5. Is there baseline data in place? If not are steps being taken to make sure it is?
6. Do they cover the necessary requirements both for short-term management information (data on inputs and outputs) and for performance measurement (outcomes and impacts)?
7. Is there a clearly developed framework for sourcing information and for verifying its correctness?
8. Are indicators differentiated by gender so that it is possible to assess the impact of the Programme on both men and women?
9. Is the structure of indicators consistent with the way in which spending has been structured within the Sector Programme and the sector MTEF? In particular, is there a consistent breakdown by sub-sector, programme and where relevant sub-programme?
10. Is the structure of indicators also consistent with the wider requirements of monitoring the national development strategy or PRSP?
11. Finally, is there an adequate review framework which permits a suitable management response to implementation issues whilst also facilitating policy and budgetary responses to broader performance issues?

(Adapted from EC 2003)

4.3.2 Performance monitoring: summary of issues for UNFPA

How is the provision of sector support different from a project approach?

The key difference is that progress is measured through a series of sector wide indicators as part of a joint review process, rather than on a project by project basis. As a result, overall performance is gauged against a relatively small number of higher level indicators. The indicators should emphasise outcomes, access, efficiency, equity and quality in particular, although the last two do pose difficult challenges. By contrast under project approaches monitoring is typically carried out against a huge number of project level indicators

Will this make it easier to achieve our sector goals?

Sector level indicators, if well chosen, should provide a better indication of progress towards poverty objectives, as well as help to identify problems areas and areas needing more work.

How can UNFPA influence the process?

UNFPA can help support the process by providing support to build statistical and data collection capacity, and by participating fully in annual reviews to ensure that performance data is properly interpreted and that appropriate actions are taken.

What are the advantages in being *inside* the sector programme rather than *outside*?

It is important that reproductive health is reflected in the sector indicators. Such indicators should be taken from the list of 17 core reproductive health indicators, though on occasions it may be necessary to modify the choice in the light of local circumstances. Not all of these indicators should be included as sector indicators – some will be more important than others in different settings.

If UNFPA were not in a SWAp it would still be possible to use its core indicators. However, performance against these indicators would be an issue for discussion between UNFPA and the Reproductive Health Unit of MoH and possibly other senior members of MoH. In a SWAp the inclusion of core indicators as sector indicators ensures performance is discussed by a wider range or more influential stakeholders, thus increasing the chances of effective actions being taken in response to findings.

4.4 Financing Issues

As we have already seen the issue of financing raises two key questions: **how much to provide and when**, and **how to deliver it**.

It is important that any sector programme developed is **affordable**. Many people ask whether it is better to plan on the basis of what you need (**needs based budgeting**) or on the basis of what you are likely to get (**resource based budgeting**). In practice, both can play important roles. The process of developing a sector programme gives a much better opportunity to make the case for additional resources. Ultimately, any sector programme will be constrained by the level of resources, and the funding available will be determined through an iterative process of negotiation between the line Ministries and the Finance Ministry. As in many low income countries a large share of resources is likely to come from donors, so a sector programme requires donors to be more upfront and transparent about future funding intentions. The following questions may be of use for the budgeting process.

Budgeting: a checklist

- Is the cost of meeting reproductive health needs clear?
- What needs to be done before that is the case?
- What role can you play in any costing exercise?
- What support do you need to do so?
- What types of evidence do you feel will make the Ministry of Finance take notice and persuade them to allocate more resources for RH?
- How would you go about getting this information?

4.4.1 Expenditure plans and Medium Term Expenditure Frameworks (MTEFs)

It is important to cost sector plans and do so in a way which is consistent with the current budget classification. The aim is to establish a **single, coherent expenditure programme**, which identifies and prioritises **all** sources of funding for public expenditure. This allows all key stakeholders to assess whether resources are being allocated in line with stated national priorities.

Sector programmes are increasingly embedded within medium term expenditure frameworks (MTEF) and therefore more closely linked to the wider national process of budgeting and expenditure planning, and to the PRSP.

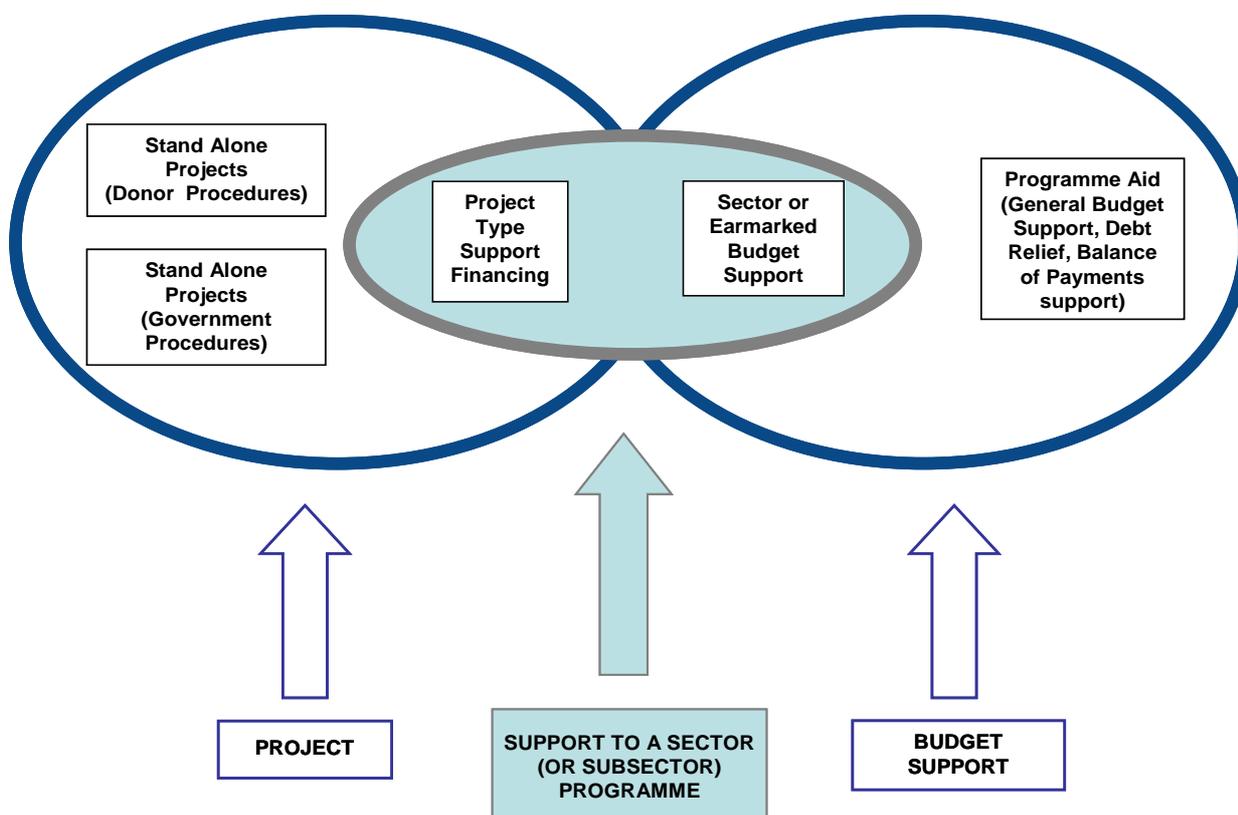
Why? Incorporating a sector programme into an MTEF increases the **credibility** of SWAp processes by demonstrating national level buy-in to the sector processes. It should also improve the **predictability** of funds.

Channelling Resources

The next issue is how to channel resources. There are a number of broad options for funding sector programmes. As already mentioned, sector programmes can be funded through **sector budget support**, **earmarked budget support** and through a **project type approach**. In some settings, a **combination** of these approaches may be the best solution.

A Sector Programme can be made up of both project and budgetary support – but not all forms of project or budget finance are necessarily part of such a programme.

Funding sector programmes: the options



These different aid instruments can be characterised according to the attached **conditions**, the extent of **earmarking** and the arrangements for **accountability**.

4.4.2 Conditionality

Under a SWAp there is mutual agreement on the conditions which underpin the support (as opposed to the more one sided donor imposed conditions associated with other approaches which are now recognised to be largely ineffective).

The table below shows examples of conditions at different levels.

Level	Types of Conditions
Macro	Fiscal deficit reduced to 5% of GDP by 2007/8. Share of public expenditure to social sectors increases to 78% by 2006/7.
Sector	Health spending increases to 10% of Government Budget by 2005/6. Government will agree a health sector strategy by October 2006 Targets for Maternal Mortality Rate achieved by November 2005 24 hospitals given autonomy by April 2008.
Project	Government will recruit 10 staff to support project activities Government will provide \$13m counterpart funding to support the project.

4.4.3 Earmarking

Earmarking places restrictions on what donor funds can be spent on. As the chart below shows the degree of earmarking can vary from zero (for general budget support) to intensive (for projects) and a SWAp can incorporate different funding approaches (the shaded areas).

General Budget Support	Sector Budget Support	Earmarked Budget Support	Project Type Support	Stand Alone Project
No earmarking, funds go to the Treasury.	Funds earmarked to particular sectors, e.g. health.	Funds earmarked to specific programmes within sectors, e.g. reproductive health.	Funds earmarked to specific activities within Government sector programme, e.g. establishment of a training centre.	Funds earmarked to specific activities outside sector programme with funding channelled outside the sector budget.

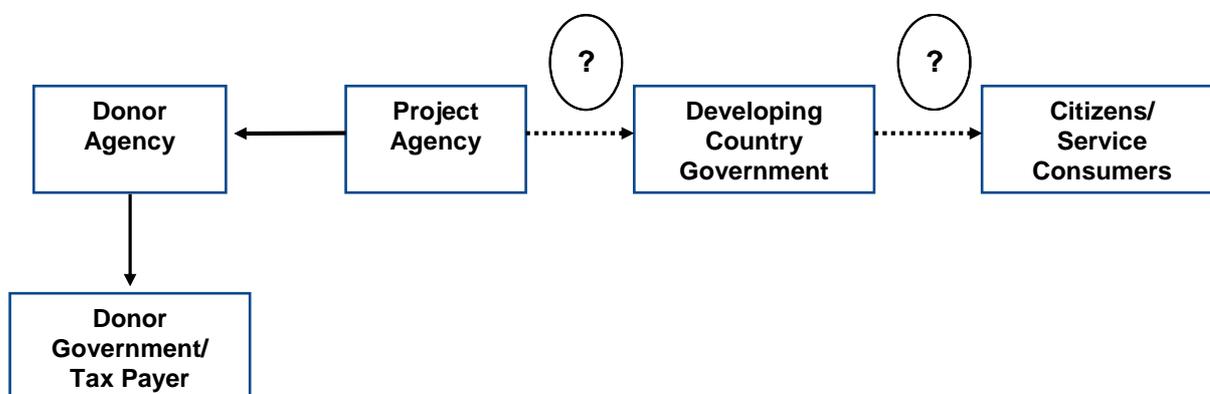
Less Earmarked **More Earmarked**

4.4.4 Accountability

Programme based approaches are all characterised by the use of Government systems of accountability. Clearly Governments need to be accountable to their populations for providing them with access to essential health services, amongst other things. However, they cannot truly be held to account if they do not have full control over the resources at their disposal.

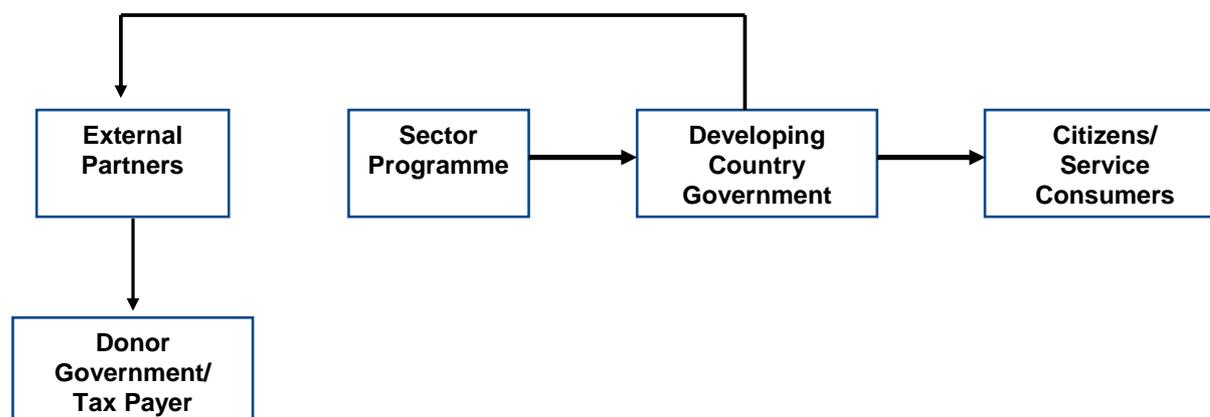
Earmarking reduces Government control over the allocation of resources, and in practice, under stand alone projects Government is accountable to donors and not to its programmes the accountability arrangements improve with the line Ministry becoming accountable to the population (and not just to donors).

Traditional Aid Accountability



Under sector programmes the accountability arrangements improve with the line Ministry becoming accountable to the population (and not just to donors).

New Accountability Arrangements under a SWAp



The relationship between sector Ministries and the Ministry of Finance is important here. A key role of the Finance Ministry is to assume a “challenge function” - continually challenging line Ministries to justify their programmes and demonstrate their

effectiveness. Sector programmes can support this relationship by helping to clarify sector priorities and to demonstrate results. At the same time it is important that sector programmes do not reduce the ability of the Finance Ministry to allocate resource freely to priority purposes. Finance Ministries should therefore be fully involved in sector processes from the outset. MTEFs also play a key role - donors should respect them and not seek to undermine them through providing support to line Ministries outside this framework.

Summary of Aid Instruments			
Aid instrument	Conditionality	Earmarking	Accountability
General Budget Support	Macro & budget	None or nominal	Government systems
Sector Budget Support	Sectoral	To sector	Government systems
Earmarked Budget Support	Sectoral	Within sector	Government systems
Projects using Government systems (project type aid)	(Sector and) Project	Project	Government systems
Projects using parallel systems (stand alone projects)	Project level – usually very specific	Total	Donor

Variations are still possible. For example, there are indirect forms of budget support, such as in Uganda where aid funded debt relief is funding a Government managed “virtual poverty fund” which supports spending on primary health and other priority actions. On the other hand, however, in countries like Cambodia, where budget support is not favoured by development partners because of weak public financial management, there is still a vibrant SWAp that is built around an MTEF and with many other of the key characteristics of a SWAp.

4.4.5 Pooled Funding

In some SWAps donors have been willing to pool their funds rather than channel them individually. The aim of Pooled Funding (sometimes called basket funding) is to:

- **reduce transaction costs** by introducing common reporting, disbursement, accounting and procurement procedures for activities which would otherwise be funded through a number of discrete projects;
- **facilitate the process of harmonisation** with government policies and expenditure programming systems;
- help **building confidence** between government and donors and thus facilitate the move to direct budget support and the use of government procedures.

Pooled funding represents a transitional stage in financing arrangements. It represents a move forward from project financing and begins the harmonisation process, but is also an acceptable compromise for donors who are unwilling to make the shift to general or

sector budget support. The pooled funds can still be earmarked for particular uses and can be managed outside Government systems if there is a need to do so.

Establishing pools can require significant inputs from Government and considerable technical assistance, and may not be sensible during the early stages of the process. Such arrangements can be distinguished as to:

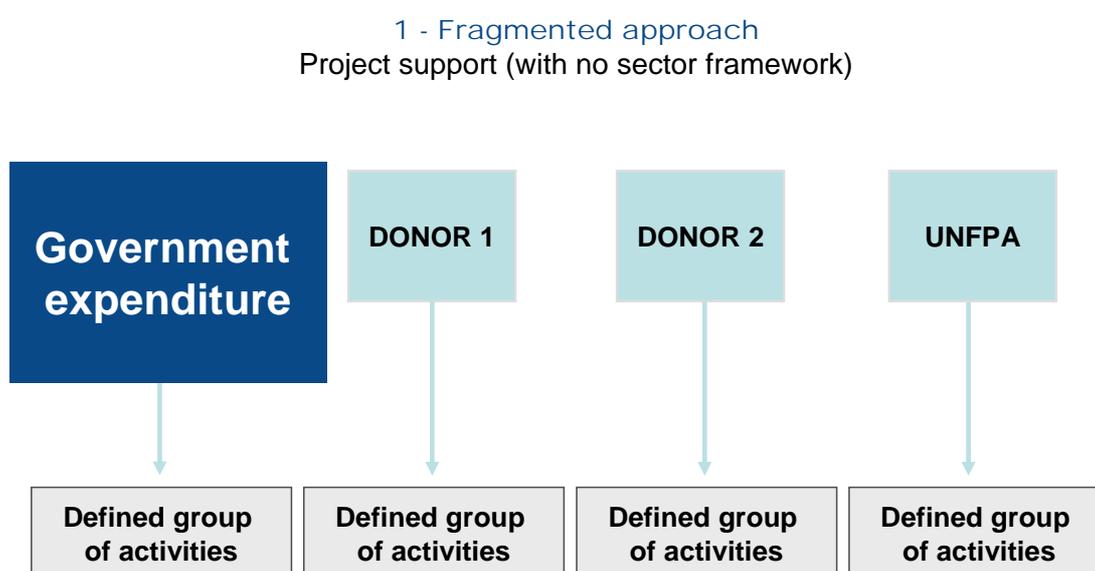
- **who manages** them - government or donors;
- **what they fund:** the whole Sector Programme or earmarked to specific budget lines (e.g. medicines), or to specified sets of activities (e.g. a reproductive health sub-programme);
- **whose accounting and reporting procedures they use:** Government accounting systems, the systems of a specific donor or system specially designed for the country circumstances.

As such a range of approaches are possible. One example could be a pool which is managed by donors, uses donor accounting systems and funds a number of specific activities within the sector. At the other end of the spectrum, an example could be a pool which is managed by Government, uses Government accounting systems and covers the whole sector programme.

In Bangladesh, several donors have pooled funds in a World Bank Trust fund maintained in Washington DC and from which funds are disbursed as “time slice financing”, reimbursing the Government of Bangladesh (into Treasury – and therefore a type of budget support also) for a pre-agreed percentage of government spending in the health sector. In parallel to this, several key partners have remained outside the pool fund but are just as committed to the SWAp and retain at seat at the “policy dialogue” table.

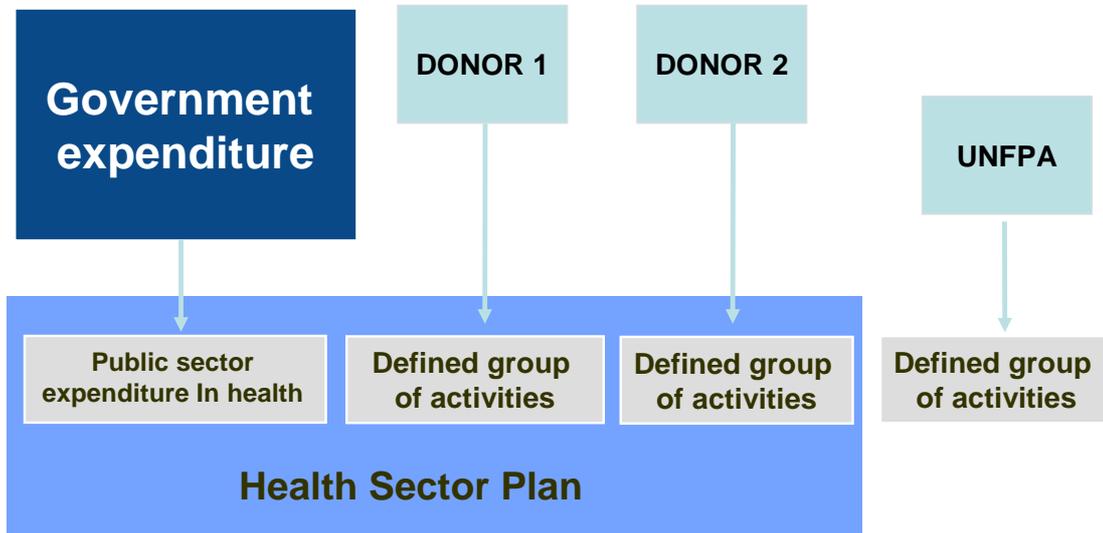
4.4.6 How UNFPA might provide finance as a SWAp matures: summary of financing approaches

The diagrams below outline a process through which donors may make the transition from a pre SWAp situation to the establishment of a SWAp, development of pooling arrangements and ultimately a shift beyond SWAPs to general budget support.



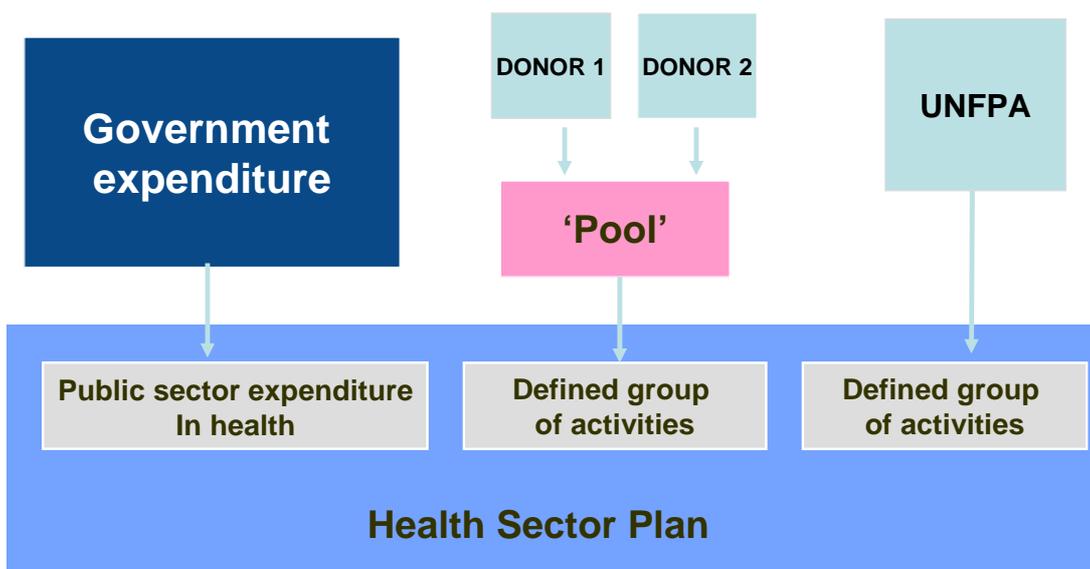
2 - Establishment of Sector Programme

Earmarked Budget Support supported through project finance using donor systems; UNFPA remains outside the SWAp



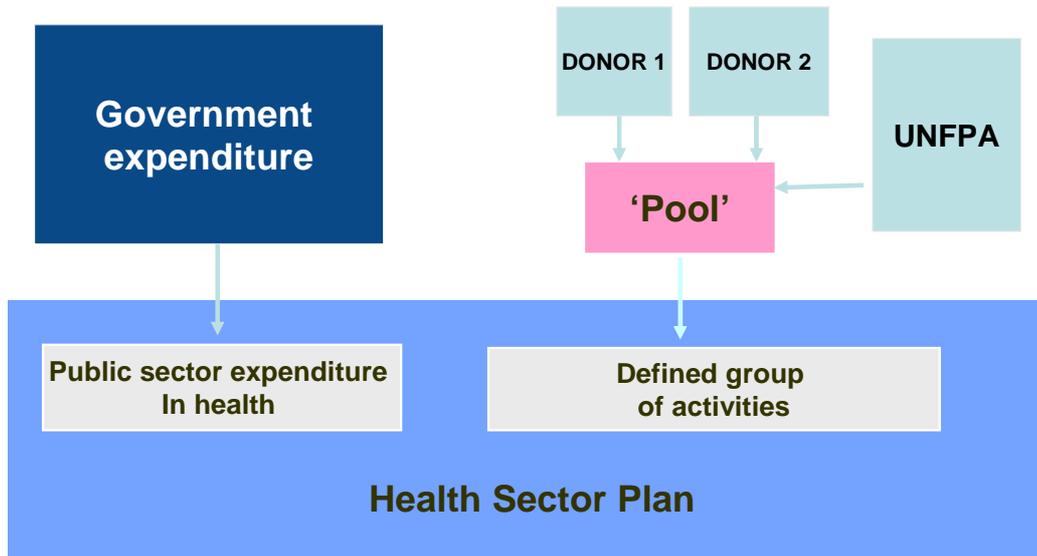
3 - UNFPA joins SWAp

Earmarked Budget Support with “pooled funding” using donor systems
UNFPA supports SWAp through Projects. DANIDA and Sida have decided to pool their funds



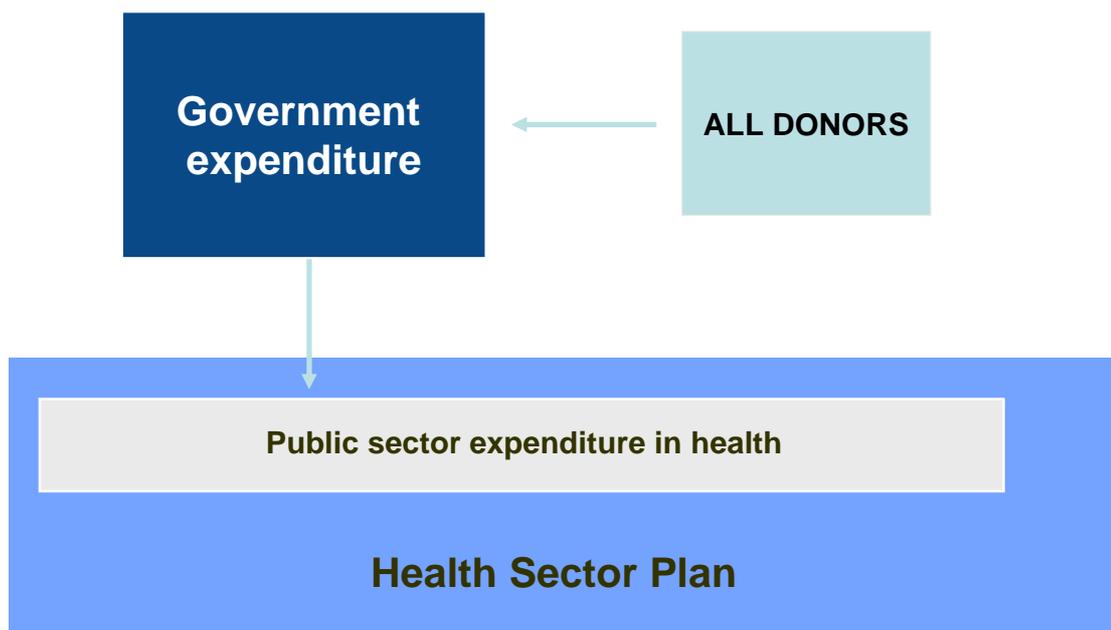
4 - UNFPA joins Pool

Earmarked Budget Support with “pooled funding”. UNFPA supports SWAp through the Pool



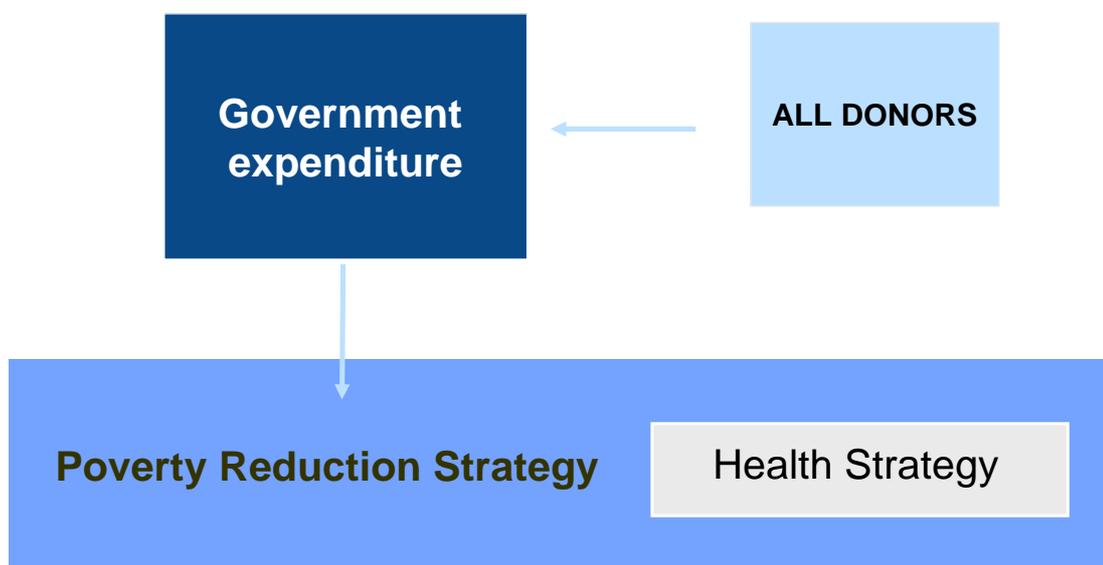
5 - Sector Budget Support

(pooled funding through Government system) UNFPA support is pooled with that of other donors and channelled through government systems but still earmarked to the sector



6 - General Budget Support

(pooled funding through Government system in support of overarching Poverty Reduction Strategy) Here donors are all providing budget support which goes to the Treasury unearmarked and then allocated according to the PRSP priorities



4.4.7 What are the advantages for UNFPA of joining pooled funding?

In addition to the benefits of participating in a sector programme, UNFPA would draw further benefits from providing pooled funding.

- Pooled funding **maintains a place at the table**. It could ally UNFPA with the larger and more powerful funding agencies in the sector, as it is the bigger donors that tend to pool their funds. This could provide UNFPA with leverage on the direction of health systems reform, giving them a stronger voice in resource allocation to the sector, e.g. advocating for more resources to community level and RH programmes.
- **It increases the availability of resources**. Government and donor transaction costs are reduced, leaving more time and money for the development and implementation of the sector programme.
- **It helps Government to assume leadership of the sector**. Participation in sector programmes shows support to government being in the driving seat. Providing pooled support shows that donors are sensitive to the needs of Government, especially if it is understood that any pool will ultimately be managed by Government.
- **It sends the right message**. Donors who use government systems to channel their funds demonstrate faith in the transparency and accountability of these systems. They are in effect saying “we trust you”. Donors who do not do this can be seen as lacking trust in government and lacking commitment to building capacity. On the other hand, if a number of donors contribute to a pool, risks are shared.

4.4.8 Financing: summary of issues for UNFPA

How is the provision of sector support different from a project approach?

Under a sector programme the intention is to bring all activities together into a single plan with a single budget. All stakeholders should be able to see how their money is to be used in the context of what other funders are doing, and the amount of donor support which is “off budget” should decline.

This greater transparency allows key stakeholders to make more informed funding decisions, and should ensure that programmes of work are affordable, and that the activities supported are sustainable. By contrast, in a project-based approach funding flows are extremely fragmented, and it is difficult to get a clear picture of overall funding.

In addition, where a sector programme is embedded in a medium term expenditure framework there should be more certainty in funding flows. This is even greater if donors are willing to make longer term commitments.

Will this make it easier to achieve our sector goals?

All too often Governments say one thing and do another. A comprehensive and costed plan enables stakeholders to take a view on whether Government resources are being allocated in line with stated national priorities and whether the levels of resources are adequate to fund the activities identified and implement the agreed strategies. If resources are inadequate or are not spent primarily on services or actions which are likely to benefit the poor, it is unlikely that poverty reduction targets will be met.

How can UNFPA influence the process?

UNFPA need not necessarily try to influence how sector programmes are financed. Its focus should be on policy development, where it has significant expertise. However, it should recognise the importance of financing and try as far as possible to assist Government by being transparent about funding intentions.

What are the advantages of being *inside* the sector programme rather than *outside*?

Participation in a sector programme would give UNFPA access to data that would not otherwise be available, even if provided through a project type approach. Providing support through pooling of funds further builds credibility for the organisation.

Conclusions and general lessons

Having gone through the various components of a sector programme, it is useful to look back at the broader issues and illustrate some general lessons.

Before doing this, it is also important to recognise that the components described in this module cannot be viewed in isolation. In practice, there will be tensions between them, and in some cases compromises between them may be needed. For instance, the temptation may be to focus on technical improvements and to forget that perfect technical solutions which are not locally owned will have less impact than an imperfect, but Government-led initiative.

Finally, we often quite rightly talk about Governments having severe capacity constraints. However, we sometimes forget that whilst we might expect intensive inputs from Government in introducing a sector programme, they also need to keep public services running! We need to accept this and factor it into our work – for example reducing the burden on Government where possible and not expecting immediate Government responses to each and every request.

It is also worth to bear in mind three other key lessons:

The importance of sequencing

Developing and supporting a sector programme is a process. Trying to overload it in the early stages may be counterproductive. It is important to agree on the principles at the outset. Whilst early attention is likely to be focused on sector policy and strategy development, it is important to consider implementation mechanisms – such as the monitoring and evaluation framework - in parallel. Trying to move too fast towards pooled support has its dangers. It is better to focus on identifying and agreeing a process to move in this direction, rather than trying to force the pace.

The need for pragmatism and flexibility

It is important to recognise the constraints faced by Government. Quick wins may be a useful way of building political support for the process but, ultimately, the more difficult and often more sensitive issues do need to be confronted.

The need for a long term strategic view

It will be important to manage expectations. This is a long term process and benefits may not be immediately apparent. The development of a strong M&E framework will play an important role in identifying benefits when they begin to emerge.

5. Frequently asked questions about SWApS and the wider development environment

This section attempts to answer questions about the relationship of the SWAp with the pre-existing development environment of a country, i.e. the presence of a Poverty Reduction Strategy Paper, decentralisation, and the continued existence of projects.

[5.1 What are the links between a PRSP and a SWAp?](#)

[5.2 Is a SWAp possible when government is decentralised?](#)

[5.3 What happens to projects when there is a SWAp?](#)

5.1 What are the links between a PRSP and a SWAp?

A PRSP (Poverty Reduction Strategy Paper) is a prioritised, comprehensive plan which should guide national development efforts to address poverty. In many countries – particularly those with large-scale donor involvement – PRSPs have become a highly influential document.

In theory, a Sector Programme should mirror what a national PRSP says about priorities, spending allocations and indicators.¹² In practice, the link may not be entirely logical, perhaps because the Sector Programme was developed before the PRSP, or because very different processes were used to develop the two documents. Over time, as the PRSP and SWAp processes mature, the Sector Programme should become a more coherent reflection of the PRSP at sectoral level.

A PRSP is a much more general document than a Sector Programme – even so, it is reasonable to expect it to make specific reference to population growth and reproductive health. The inclusion of an issue in the national PRSP is then an important argument for it to be prioritised in the Sector Programme – because the PRSP should be the main document that guides sectoral plans.

Other links to look for between a PRSP and sectoral plans are:

- Statements about public spending allocations in the PRSP should be followed through in the Sector Programme. For example, a PRSP may state that expenditure on primary health care will rise – this should be reflected in the Sector Programme.
- Some particular health priorities may be specified in the PRSP – for example ensuring that poor pregnant women use public health facilities. The Sector Programme should describe how this is to be achieved.
- Both the PRSP and Sector Programme use indicators as a tool for monitoring. All the health indicators in the PRSP should also be included (and regularly monitored) in the Sector Programme.

¹² An MTEF can provide the budgetary link between a PRSP and a SWAp - see [Financing Issues](#) in Section 4.

- PRSPs and Sector Programmes should both mention issues such as maternal mortality and HIV prevalence among young pregnant women, because of their importance in the Millennium Development Goals.
- PRSPs generally contain a chapter describing the process by which they were written – including the nature of the participation of NGOs and civil society. It is good practice for SWApS to encourage similar participation.

5.2 Is a SWAp possible when government is decentralised?

Decentralisation can take many forms – and people tend to mean different things when they use the term. Also, it is an area where rhetoric and reality often differ – many countries claim to be either decentralised or in the process of decentralisation – but in fact remain rather centrally controlled.

Decentralisation means handing power to some form of local authority at the regional/provincial/state and/or district level. Decentralisation aims to:

- move decision-making power closer to people and their priorities
- increase participation
- enhance transparency and accountability.

To understand the nature of decentralisation in a particular country, it is useful to answer the following key questions:

- What levels make what decisions about priorities?
- How do funds flow? Do locally-raised monies stay at the local level? What levels have major power over resource allocation?
- At what level are staff hired and fired? Who makes decisions about the pay and conditions of staff?
- Who are the decentralised authorities? Are they democratically elected? If not, how are they appointed and to whom are they accountable?

Decentralisation may take a number of forms, for example:

- Full, national devolution of political, economic and financial authority to local governments (e.g. autonomous district councils in Tanzania and Uganda)
- Sector-specific devolution of budget management responsibility and planning for delivery of public services (e.g. the health district basket in Zambia; Ghana budget and management centres; autonomous district hospitals)
- Delegation of planning and decision-making for some services (e.g. limited local administration of service delivery in Vietnam).

It is sometimes argued that SWApS and decentralisation are mutually exclusive – they cannot both operate at the same time. The argument is that SWApS can be a centralising force – i.e. they can reinforce centralised decision-making and encourage top-down priority-setting and monitoring.

Decentralisation and SWApS can (and do) co-exist. The SWAp can help provide access to resources for district managers, who can use them to meet local priorities. Work on these priorities is monitored – all within an enforced but un-detailed national framework of policies, priorities and rules.

Uganda provides one example of how such a national framework developed, as the country implemented rapid decentralisation. Funding for public services was passed down to local governments to allocate between sectors. One consequence was that districts reduced their own spending on primary health care by around three quarters. As a result the Ministry of Finance, following lobbying from the Ministry of Health (and, indirectly, donors), introduced a **conditional grant** which earmarked a certain amount of funding to be spend on primary health care services. In addition, the Ministry of Health developed a series of **guidelines** mapping out the national priorities and giving an indication as to how funds (including pooled donor money) might be spent. Some regarded this as unnecessary and unwarranted re-centralisation; others a response to the adverse consequences of decentralisation and an attempt to create a sound framework in which decentralisation could support national priorities.

There are some countries, however, where decentralisation and SWApS cannot easily co-exist. Some federal nations allocate funds to their states or regions as a block grant, without specific sectoral allocations – Ethiopia is an example. In these cases, earmarking funds for a particular sector at the federal level violates the principle of decentralisation. In such countries, rather different ways of working have to be found – for example a series of regional-level SWApS, or perhaps pooled funds for district-level multi-sector service delivery.

Whilst SWApS and decentralisation can co-exist, there are some tensions inherent in a decentralised system with a sectoral SWAp:

- Some see a SWAp as a force for (re)centralisation. Put boldly, there are tensions over **power and money**. SWAp partners will want to influence priorities and resource allocation – so will the local authorities. Local government will want the power to decide how resources are allocated amongst various sectors – but funding a SWAp is all about funding a particular sector. Districts may want, for example, to build new clinics – central SWAp partners may regard this as unsustainable capital investment.
- SWApS may lead to pressures to **disburse money fast** – which may not be in the best interests of the decentralisation process. This is particularly an issue when there is a mature SWAp and a new process of decentralisation and capacity to spend large amounts of money effectively is limited.
- The district authorities may face **dual accountability** – to the Ministry of Local Government (or equivalent) and to the sectoral ministry. This arrangement can work – the sectoral ministry has technical oversight and a responsibility to see that policies are implemented; Local Government's concerns are more operational. But it is not difficult to see how tensions develop in the situation.
- There may be a lack of **communication and co-ordination** between sectoral work and decentralisation. Although they are both government activities, it is not uncommon to encounter this problem.
- **Human capacity** may be an issue. District workloads may increase and change – and staff at the central and regional/provincial levels will also have to adopt new ways of working. Capacity-building in planning and management is critical – as is the timing of this activity. Too much disbursement of SWAp (and other) funds before the capacity is there leads to disillusionment about decentralisation; too little disbursement and local staff become frustrated.
- For decentralisation to work, there has to be trust in the decentralised systems. But funders may believe that this is more risky than a centralised approach – it is more complicated to hold a number of local authorities to account. A balance of

acceptable risk has to be found in the early days of decentralisation. Looked at a different way, increasing the flow of finances to newly decentralised units provides incentives for local capacity strengthening.

- **Equity** may be central to a SWAp. Yet decentralisation raises some equity concerns: what happens to districts with less ability to raise local revenue and/or to attract skilled staff? SWApS may fund some form of district equalisation budget.

5.3 What happens to projects when there is a SWAp?

Previous chapters have described how SWApS developed as a reaction to problems caused by too many projects. In a SWAp environment, the burden of proof is on people who want to defend the continued existence of separate projects.

When a SWAp begins, it inevitably runs alongside a number of existing projects. What can and should be done in these circumstances to integrate the existing projects into the SWAp? (The Harmonisation section in Section 4 includes a [diagram](#) which summarises the process of gradually reducing the role of projects.)

Project integration can be broken down into three separate questions:

- What are the issues?
- Which of these are the important issues?
- What should be done, when?

5.3.1 Integrating projects into a SWAp – identifying the key issues

SWApS are essentially about bringing a number of disparate projects together into one integrated programme. But that does not mean that every single project has to be fully integrated. Integration is not a yes-or-no idea – rather it is a continuum.

“Integrating a project” means:

- Ensuring that the aims of the project are compatible with the aims of the SWAp.
- Making the project’s systems of finance, monitoring and planning as compatible with government (or SWAp) systems as possible.
- Involving the government (and other partners) in major decisions about the project – including when to end a project and whether or not to start new projects.

What are the issues raised by the existence of a number of projects, for example in the field of reproductive health? Below are listed a number of questions that can be asked to judge whether particular projects are supportive or disruptive of a SWAp.

The content of the projects

- Are the **aims** of the projects compatible with the priorities of the National Health Plan and the SWAp? It is not just enough to say “yes, because reproductive health is a priority”. Some projects may be exploring key issues such as midwifery skills in district hospitals, whereas some may be based on unrealistic expectations, such as access to unnecessarily high-cost services in rural areas.
- Does the project aim to **demonstrate a point** which is of direct relevance to the National Health Plan and the SWAp? For example, is it conducting some research or piloting a cost-effective intervention? Projects are not incompatible with mainstream government work and SWApS. Indeed, projects are appropriate for some work, because they are time-limited and to some extent separate from ongoing service-delivery. But the project needs to be designed to maximise the opportunities for read-across to the sector as a whole.
- Is there a fear that the **project work may not continue** after integration – for example, does the project deal with a neglected issue, or work with an NGO or the private sector in a way which government has traditionally been reluctant to do?
- Is the project doing something so effective and important that integration raises genuine worries about a **negative impact on people’s health or welfare**? Are there fears that quality or continuity may suffer because of integration? (This is often an issue with drug procurement, for example.)
- Are the projects compatible with the **expenditure patterns** of the National Plan and SWAp? A project may, for example, pay doctors and nurses twice as much as government rates to work in a remote area. Is this untenable on a national basis, or is the project making an important point that these pay levels are a necessary part of nationwide service delivery? It is not as simple as saying that projects that involve different ways of allocating resources have to change – for each project, a decision has to be made about whether it is unhelpfully different or is making a valid (and realistic) point which the National Health Plan and SWAp should seriously consider.

The management of the projects

- How strong is **government ownership** of the aims of the projects?
This is more than projects simply being compatible with government aims – government has to know and care about the projects, if they are going to be sustainable and of a wider relevance.
- Is **government involved** in the management of the project?
Were government officials involved in project design, or recruitment of project workers? Are government officials involved in any monitoring activities or regular project meetings? Does government have access to the project accounts?
- What are the **transaction costs** in terms of time and/or money?
Transaction costs to the funder, the government and/or the contractor may be disproportionately high in relation to the size of the project – this can be an argument for more streamlined, SWAp-type management.
- Does the project **employ staff** in a way which would be impossible within government (technical assistance or core staff, nationals or foreigners)?
Fear about job security and levels of pay may be a reason for some people to oppose project integration. There are many ways in which this issue can be handled – SWApS do not automatically mean that project jobs have to be suddenly ended.

The future of the project work

- What will happen to the work when the project ends?
This is the issue of **sustainability**. It is often argued that a greater likelihood of sustainability is a major advantage of SWApS. This will apply more obviously to some projects than to others.
- Is **donor attribution** important? If a project was integrated into a SWAp would the donor continue its support, or would it perhaps cease funding reproductive health work in that country?

Beyond one sector

- Is the project a **cross-sectoral** one, which does not fit neatly into a SWAp?
A predominantly health project may have strong non-health elements of other sectors – gender, micro-credit or horticulture, for example.

5.3.2 What are the important issues?

A number of issues related to integrating projects into a SWAp have been listed. The next stage is to put these issues into perspective. What factors determine how important an issue is when deciding what to do about integration?

Size

The size of the project is relevant. It may not be worth spending a lot of effort on integrating a relatively small project. It may be better to concentrate on major projects – such as national condom distribution. One measure of size is the overall budget, another is the level of transaction costs.

Timing

Timing is also crucial. It is not worth spending a lot of resources on integrating a project which is due to end soon. The best time to think about integration is at the planning stage – integration should be a major consideration for any projects at the concept or planning stage.

Perceived importance

The project funders may feel that a project is of vital importance and likely to be harmed by integration. How widely shared is this view? Are the funders blinkered by being too directly involved with a project? What do colleagues in government and other international agencies think?

5.3.3 What should be done, when? The practicalities of integration

This section has explored the issues surrounding integration and looked at how to prioritise them. What in practice does a decision about integration mean? (Of course the right decision may be not to integrate, or to integrate slowly or only partially.)

There are many aspects to integration – and it is important to view integration as a process, not a one-off, yes-or-no event.

- A development agency may decide that integration will be of paramount importance during the next round of its country programme **planning cycle**. This means that the next planning cycle will look rather different from current practice – it will involve more people from other organisations and will focus more on how specific work fits in with the bigger sectoral picture. Over time, it may be helpful for the timing and content of an agency's planning cycle to change to fit in with the sectoral/SWAp cycle. Until this happens, it is more difficult to integrate into the sectoral budget.
- **Communication** is the beginning of sector wide work. Agency and project staff can begin co-ordination by ensuring that the communication about projects is good. Do relevant government and donor staff know about a project and what it is doing? Do they have opportunities to comment on it? Improving communication can be relatively simple – but it does require the allocation of staff time.
- An analysis of the issues surrounding projects may conclude that **government capacity** is a constraint. If so, what can be done about it? A step before integration may be to fund training or other forms of capacity-building, such as mentoring or on-the-job experience.
- **Project management arrangements** can be made more integrated – for example partners could be invited to participate in quarterly or annual monitoring activities, and could be shown the monitoring reports.
- Integration may be appropriate for a particular project, but there may be legitimate concerns about how fast and carefully it is done. There are no hard and fast rules – it depends on **negotiation**. Full integration is not the only option – for example a pooled donor drug fund is more co-operative than many separate drug funds, even if it is not fully integrated into government systems.
- Integrating projects and spending more time working on SWApS may have major implications for the way development agency staff use their **work-time**. There may well be less time for detailed project management – whilst this has potential risks, the whole point about a SWAp is that it concentrates minds on building up a comprehensive and co-operative national sectoral workplan.

6. Further reading on SWAPs

This final section contains a list of suggested references for those interested in reading more about SWAPs. The literature on SWAPs is very extensive. This list intends to be a selection of useful starting points rather than a comprehensive bibliography.

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