



Issue Paper

Stakeholder Participation in Sector Reform: *Tentative guidelines based on field experience from sub- Saharan Africa*

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Abbreviations

ASIP	Agricultural Sector Investment Programme
ASSP	ASIP Support Southern Province
CAPE	Centre for Aid and Public Expenditure
CBO	Community Based Organisation
CLA	Community Livestock Auxiliary
DFID	Department for International Development
DSI	Development Services Incorporated
FDT	Farmers Development Trust
GTZ	Gesellschaft für Technische Zusammenarbeit
IDA	International Development Association
IFAD	International Fund for Agriculture Development
INESOR	Institute for Economic and Social Research
MAFF	Ministry of Agriculture, Food and Fisheries
OD	Organisational Development
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
PRSP	Poverty Reduction Strategy Paper
SAP	Structural Adjustment Programme
SIP	Sector Investment Programme
SNRD	Sector Network Rural Development
SP	Sector Programme
STD	Sexually Transmitted Diseases
SWAp	Sector Wide Approach
TA	Technical Assistance
TB	Tuberculosis
ZAREP	Zambia Research and Extension Programme
ZFU	Zimbabwe Farmers Union

Contents

1	Background	1
2	Defining participation	2
2.1	Criteria of sector reform.....	2
2.2	Participation in the context of sector reform	2
2.3	Why participation?	3
2.4	What is effective participation ?	4
	<i>Pre-sector reform stakeholder interaction</i>	<i>5</i>
	<i>Post-sector reform stakeholder interaction.....</i>	<i>6</i>
3	Dimensions of participation	8
3.1	Productive versus social sectors.....	8
	<i>How wide is 'sector wide'?.....</i>	<i>8</i>
	<i>Are programmes in social sectors easier to implement?</i>	<i>9</i>
	<i>Clearer role of the state in social sectors</i>	<i>9</i>
	<i>Public – private boundaries as bones of contention.....</i>	<i>9</i>
	<i>Struggling with a transfer of responsibilities</i>	<i>10</i>
	<i>Combining vertical with horizontal approaches</i>	<i>10</i>
	<i>Development versus welfare.....</i>	<i>10</i>
3.2	Programme phases	12
	<i>Beware for an obsession with the planning phase.....</i>	<i>12</i>
	<i>Programme progress is circular, not linear.....</i>	<i>12</i>
	<i>Allow stakeholders' request to participate grow over time</i>	<i>13</i>
	<i>Opt for a selective and staged consultation.....</i>	<i>13</i>
	<i>Should institutional reform precede the sector programme?.....</i>	<i>13</i>
	<i>Does institutional reform need external facilitation?.....</i>	<i>13</i>
3.3	From national to grassroots levels	14
	<i>Moving resources below the national level.....</i>	<i>14</i>
	<i>Moving resources beyond the public sector.....</i>	<i>15</i>
	<i>Decentralisation has led to parallel structures</i>	<i>15</i>
	<i>High expectations cause capacity constraints</i>	<i>15</i>
	<i>Cross-sector cooperation</i>	<i>16</i>
	<i>Intra-sector cooperation</i>	<i>16</i>
	<i>The potential of sub-sectoral policy groups</i>	<i>16</i>
3.4	Stakeholder categories.....	17
	<i>Capacity and institution building has a public sector focus</i>	<i>17</i>
	<i>Limited impact of capacity building of stakeholder platforms</i>	<i>17</i>
	<i>The role of stakeholder platforms needs to be clearly defined</i>	<i>18</i>
	<i>Field staff.....</i>	<i>18</i>
	<i>Local government</i>	<i>19</i>
	<i>Involving the private sector in programme design.....</i>	<i>19</i>
	<i>Involving the private sector in programme implementation.....</i>	<i>20</i>
	<i>Gender.....</i>	<i>21</i>
3.5	Geographical areas	21
	<i>High potential versus low potential areas</i>	<i>22</i>
	<i>Isolated versus non-isolated areas</i>	<i>22</i>

4	Critical (cross-cutting) issues	23
4.1	Ownership.....	23
4.2	Decentralisation.....	24
	<i>The sector and the local government</i>	<i>24</i>
	<i>Vertical and horizontal approaches</i>	<i>25</i>
4.3	Capacity building	27
4.4	Institutional reform.....	29
4.5	Legislation.....	31
4.6	Financial management and accountability.....	32
4.7	Gender.....	34
4.8	Equity.....	35
5	Summary of tentative guidelines	38
Annex 1	Sector programmes in Sub-Saharan Africa	40
Annex 2	Regional dialogue on sector reform	41
Annex 3	Resource documents.....	42
Annex 4	Resource persons.....	44

1 Background

The promotion of sector-wide approaches from the early 1990s onwards, especially in sub-Saharan Africa, can be seen as a reaction to the often-disappointing achievements of decades of development efforts in crucial sectors, such as health and agriculture (annex 1).

Since 1997, a series of regional seminars and training workshops have helped to establish a regular platform for the exchange of experience between implementers of sector wide approaches (annex 2)¹. From the very beginning, participants to these events have consistently put stakeholder participation on the agenda as an issue in need of further exchange. However, available policy documents and the international (donor-dominated) debate tend to focus on participation in the planning and design phases. Little information is available on how to manage participation during implementation. The need for an exchange of practical close-to-the-ground information on participation in sector reform led, among others, to a regional forum held in Zambia, devoted entirely to this topic².

In order to capitalise upon the available practical experience, GTZ prepared this paper for the Strategic Partnership with Africa. Its main purpose is to provide support to policy makers and implementors of sector wide approaches. A secondary objective is to inform the current debate on Poverty Reduction Strategy Papers. Stakeholder participation in the context of national poverty strategies will most certainly be confronted with many of the same administrative and operational challenges of sector wide approaches.

This paper adopts a practical and implementation-oriented focus, which means that the concept of stakeholder participation is necessarily more broadly interpreted as is usual. Although there will be some discussion of processes of stakeholder consultation and bottom-up planning, this paper is more concerned with how different actors can be supported to play their part in the development of a sector by making optimum use of the available opportunities of sector reform.

Experience will never stop telling us that even the most carefully and consultatively crafted plans are bogged down by the day-to-day realities of implementation. Inevitably, in sector reform, after an initial (and promising) consultation phase, there is the sobering realisation of the many hurdles limiting effective stakeholder participation along the rest of the programme cycle. It is difficult to avoid getting trapped in the vicious circle of 'planning-evaluation and re-planning', yielding a growing string of (bigger and better) sector plans. This paper hopes to at least contribute to a move away from the theory, by looking for practical responses close to the implementation-hurdles themselves.

The issue of stakeholder participation from a practical, result-oriented angle will be further discussed in chapter two. Chapter three presents key experiences with stakeholder participation largely drawn from the findings of seminars and workshops in the sub-Saharan region. Finally, chapter four analyses this information along a series of crosscutting concerns, summarised in a number of tentative guidelines in chapter five. Documents used are listed in annex 3, while annex 4 presents contact details of people who have contributed the information and ideas, which are compiled in the text boxes in this paper.

¹ Regional events included: International workshop on SIPs in Agriculture, 02/97, Lusaka; Second international workshop on ASIPs, 11/98, Lilongwe; Training workshop on ASIPs, 10-11/98, Harare; Regional forum on participation in SPs, 09/99, Lusaka and a Training workshop on SWAPs, 11/00, Harare.

² See also: Bialluch G, D Dietvorst and A Engel (Dec 1999)

2 Defining participation

2.1 *Criteria of sector reform*

An attempt to define participation in the context of sector reform has to start with a definition or delineation of the process of sector reform itself. Sector wide reform goes under a number of headings, most common of which are the Sector (Investment) Programme (SIP or SP)³ and the Sector Wide Approach (SWAp). The SIPs are strongly linked to the World Bank, which first introduced and promoted these programmes and they tend to focus on the agricultural sector⁴. Although some argue that distinct differences exist between SIPs and SWAps these are not always clear. Defining characteristics of a SWAp include:

- All sector funding supports a single sector policy and programme;
- All main donors to the sector sign on to the programme;
- The government is responsible for leadership and financial management whereby donors rely (progressively) on government procedures to disburse and account for all funds; and
- Common implementation approaches (by government and donors) are adopted.

All of these characteristics are typical for SIPs too, although the basic principles of a SIP tend to refer in more detail to the changed roles of different actors, often including;

- A change in government responsibilities from implementation towards more regulatory and supervisory activities;
- A recognition of the need to provide support to the private, NGO and community (civil society) sectors as well as the state; and
- A change from long-term Technical Assistance to the provision short-term assistance on demand with an emphasis on an advisory rather than a managerial role.

Given the fact that there is much overlap between the two concepts, with both implying a process of sector wide reform, the distinction between a SIP and a SWAp becomes even more imprecise. Furthermore, these characteristics refer to *intended* change rather than achieved objectives and as a consequence, a wide array of transitory forms of sector programmes exist. This makes their labelling into SIPs, SPs and SWAps almost an academic exercise only.

2.2 *Participation in the context of sector reform*

Publications dealing with this topic sometimes aim to provide some form of a definition, often with similar components. For example '*Effective participation is the involvement of all relevant stakeholders in a sector during all stages of the programme cycle to ensure greater ownership of a demand driven and sustainable development process*'.

Where 'participation in practice' is discussed in the literature, it is commonly concluded that sector reform so far has remained much of a top-down process, with stakeholders being involved only after programme design is (near) completed and where consultation meetings serve the purpose of informing stakeholders, rather than soliciting their views⁵. Although valid, these comments harbour an implicit assumption of participation as being limited to the design, formulation and planning stages of the process. Admittedly, the constraints to coming up with a full-fledged bottom-up plan for a sector are manifold and not easily overcome.

³ The term Sector Investment Programme was later changed to Sector Programme (SP) to reflect that fact that investment is only one of the stages in the programme's cycle.

⁴ As so-called Agricultural Sector Investment Programmes or ASIPs

⁵ Foster *et al.* (Feb 2000)

More importantly, though, it should be recognised that a sector policy *document* is nothing but a skeleton. The *actual programme* consists of the combined and complementary action of all stakeholders in the sector. It is not so much a matter of 'getting stakeholders on board of the programme' than it is to adopt the notion that the stakeholders *are* the programme. Effective stakeholder participation goes beyond getting one's views incorporated into the sector plan; it has to be about tangible results rather than good intentions.

2.3 Why participation?

To successfully tackle the stakeholder participation issue, we should avoid placing too much emphasis on the (often rather fuzzy) process-approach for which indicators are difficult to set and measure. 'Ownership' and 'sustainability', as the ultimate products of participation, are noble aims but their interpretation leaves too much room for manoeuvre and so their progress tends to be reported in terms of intention rather than effect. Fortunately, there is also a practical reason for promoting stakeholder participation in sector reform and that is *to make more effective and efficient use of available (and often limited) resources*.

Both agriculture and health sectors aim to re-focus their public resources towards a more demand-driven provision of high-priority services. This usually means that the current action-radius of the government is reduced to a series of core functions that are of national importance and which would not be carried out when left to the private sector. Arguably, this change in the government's role is most pronounced in the agriculture sector, where the range of services to be privatised is bigger. However, the fast widening gap between the increasingly severe health problems (particularly as a consequence of aids) and the limited resources to respond to them, also forces health ministries to make expenditure choices, expressed in the introduction of hospital and consultation fees, the reduction of subsidies on medicine and a refocusing on primary health care. Finally, despite the fact that these sectors have been primary beneficiaries of large amounts of donor funds⁶, this has largely failed to produce neither structural growth nor sustainable service provision. This is seen to be not so much a consequence of a shortage of resources, but rather of a fragmentation of resources among a great many projects, each largely following their own agenda⁷.

The above factors combined fostered a consensus on the need for change and the justification of sector wide approaches as an alternative to the fragmented project-based support. The commitment to this change is (in the very least) a political statement that *development is not brought about by the government alone but needs the active participation of all stakeholders concerned*. Coordinated action based on complementary qualities of the public and the private sector, as well as NGOs and civil society, should ensure a more effective resource use. In short, stakeholder participation can be defined as a means to achieve the following aims:

- A harmonised and coordinated resource use (from fragmented to cumulative efforts)
- An optimum utilisation of complementary qualities of all stakeholders concerned

It is worth recalling this (economic) justification: The chances of obtaining no more than a 'lip-service' commitment to stakeholder involvement are smaller when its effect should eventually be measurable in monetary terms. An emphasis on stakeholder involvement in terms such as 'beneficiary-ownership', may risk to be translated only into endless consultation processes at programme formulation or evaluation stages.

⁶ Eg in Zambia, it was estimated that donor funds made up at least 40% of total public expenditure in the health sector during 1997 and 1998 (Lake, 1999).

⁷ Eg, in Tanzania, prior to sector reform about 30 donors were running over 1200 projects were implemented in the health sector alone with its ministries' capacity.

2.4 What is effective participation ?

In supporting sector programmes the question to ask is not so much 'What should be done?' But rather: 'Who does what?' A division of stakeholders along roles and responsibilities will be different for different sectors. Agricultural programmes should take account of a wide range of actors, from the government, via the various private service providers (eg traders, processors of cash-crops, abattoirs, private vets etc) to the producers themselves and their formal or informal organisations (eg farmers' unions, commodity-groupings⁸, and groups based around traditional leadership). Stakeholder categories in health or education programmes would include the respective (line) ministries involved and their associated staff at all levels. But they should also include all other relevant stakeholders outside the public sector, eg private medical (and 'African') doctors, traditional birth attendants, patients or private schools and teachers, parents and pupils.

All these stakeholder groups, or actors, have different roles to play in the development of their sector. And this goes far beyond their role in providing an input to the sector programme plan. Experience shows that the success of a sector programme depends, as much (or more) on the creation of enabling environments than on accurate plans. Often, the stumbling blocks to effective participation are of a practical nature: Existing legislation hinders people to partake optimally in liberalised markets; Stifling taxes on trade and industry coupled to a continued trickle of free government services prevent private sector development and limited support to stakeholder platforms halts the momentum of participation.

Although roles and responsibilities of the various stakeholder categories should be assessed for each programme separately, for the sake of this discussion we can broadly distinguish three main roles in every sector-wide approach as follows:

- The provider provides goods and services
- The client accesses goods and services⁹
- The facilitator creates an enabling environment in which goods and services are effectively provided and accessed

A particular stakeholder can have more than one role, which is especially true for the government. As a provider it can finance and coordinate major vaccination campaigns, while, as a facilitator, it can enact the required legislative changes to enable qualified private providers to offer (human and livestock) drugs on a commercial basis.

Whereas the role of government in the past emphasised the provision of services, dwindling state resources no longer make this a sustainable option. Most sector wide approaches, therefore, recognise the need for a change towards a facilitating role. This also means that, where previously grassroots level stakeholders (eg farmers, patients *etc*) tended to be rather passive recipients of government services, they are now required to become informed and articulate clients of a range of service providers, one of which may be the government. And where it was generally accepted that donor projects covered the shortfall in government (or private sector) service provision, eg by distributing medicine, food and agricultural inputs, this is no longer seen as making a real contribution to sustainable development¹⁰. Therefore, sector reform emphasises the *advisory*, rather than the managerial function of technical assistance.

⁸ For example beef or poultry producers and cotton or maize growers.

⁹ The concept of client corresponds in most cases to that of the ultimate beneficiary. However, the term client is preferred over beneficiary, since the former implies a more active role, as in *accessing* versus *receiving* goods and services.

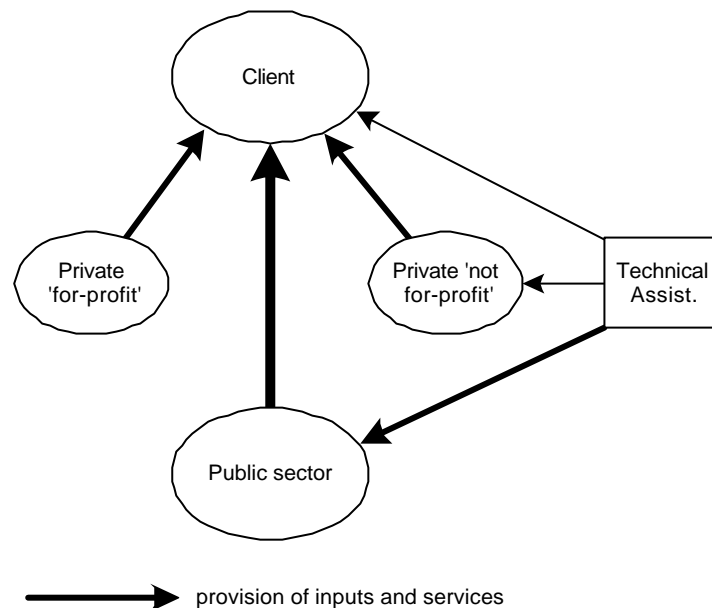
¹⁰ And, indeed, is rather recognised as preventing or delaying development: See also Walt (1999:275) "TA for building systems is deemed more useful than TA for filling gaps".

In short, sector reform fundamentally changes the way in which stakeholders interact within a given sector, by making use of their comparative advantages and complementary qualities. To illustrate this change, figure 1 and 2 present a pre- and post-sector reform situation. Of course these graphics present a necessarily generalised picture, but one that will, hopefully, clarify the notion of effective stakeholder participation in action.

Pre-sector reform stakeholder interaction

Prior to the introduction of a sector-wide approach, service provision within the sector typically included the following (fig 1):

Figure 1 Pre-sector reform service provision

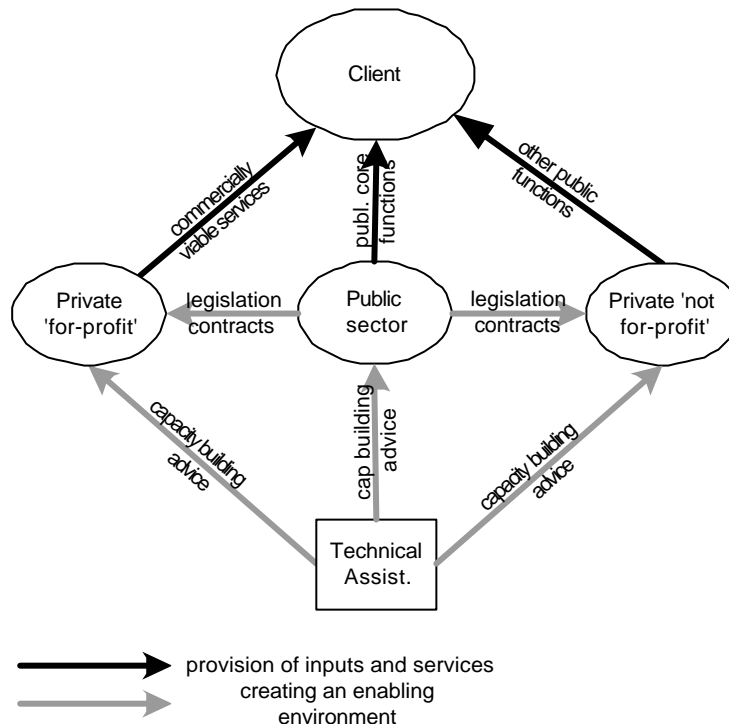


- **“The government is our parent”**: The public sector is considered to be the main service and input provider. Health care is heavily subsidised, with minimal cost-recovery of medical expenses. Government’s involvement in agricultural credit, fertiliser distribution, the marketing of staple crops and food relief makes farmers state that “the government is our parent”.
- **Government services are dwindling**: The quality of services provided at no or low cost by the public sector tends to be basic and declining. This leads to a demand for additional or better services that is offered by a growing private commercial sector. For the most part, it is the socio-economically stronger clientele who access these. However, as (the quantity and quality of) subsidised services dwindle, even the more resource poor clients are forced to increasingly obtain inputs and services at free market rates.
- **Donor projects fill the gap**: A proliferation of donor projects is characteristic for most health and agriculture sectors. Often, these projects cover the shortfall in government service provision, either by funding service provision by the government or the ‘not for profit’ private sector (eg NGOs, churches) or by providing (free or subsidised) services directly to the beneficiary / client.
- **Lack of coordination**: Activities of the various service providers in the sector (public, private, donor) lack coordination with much overlap between public and private sectors and little coordination of, or control over, technical assistance by the recipient. Generally, individual actors follow their own agendas leading to a fragmentation of efforts and a loss of potential cumulative impact.

Post-sector reform stakeholder interaction

The aim of a sector wide approach is to have all actors combine and complement their efforts along the lines of a sector-wide policy. When appropriately implemented, coordinated service to the sector would include the following (fig 2):

Figure 2 Post-sector reform service provision



- **Redefinition of roles:** Based upon a Public Expenditure Plan and the existing and potential strength of the private sector, roles and responsibilities of public and private sectors are redefined. To enable a more effective service provision, the public sector focuses its resources on a reduced number of public sector core functions (eg under-five health care or the prevention of livestock diseases of national economic importance).
- **Enabling optimum public-private partnership:** The private commercial (for-profit) sector is officially (legally) mandated to provide services. The government can foster private sector growth by contracting out non-core functions that are not (yet) economically viable (eg service provision in remote areas; distribution of food relief) to appropriate partners in both the for-profit as well as the not-for-profit private sectors.
- **From passive recipients to articulate clients:** Grassroots level stakeholders are challenged to mature, from rather passive recipients of government services, into active, informed and articulate clients of a range of public and private service providers. For services that are retained by government, they help tailor these to local priorities (eg through bottom-up planning). Services released to the private sector may need to be accessed higher up the delivery chain, requiring some grassroots level organisation.
- **Technical assistance as facilitator:** Technical assistance moves away from the role of manager and implementer to that of facilitator. Actual service provision is left to those who are ultimately responsible for it, while technical assistance concentrates on supporting and enabling these actors to take on that task.

- **Cooperation towards a common goal:** The activities of the various stakeholders in the sector are coordinated following a coherent sector policy framework, acknowledging comparative advantages and strengths and aiming at a cumulative and sustainable impact of efforts.

Admittedly, the situation depicted above represents the ideal rather than the reality. Even where sector wide approaches have had years of implementation, the old paradigm of 'the government provides' is hard to shed and donors have found it difficult to take a backseat. In fact, in many cases, the pressure for results (and the added frustration with an apparent inability of those responsible for service provision) has seen a return of implementation-oriented technical assistance. Nevertheless, however challenging its objectives, there is widespread recognition of the need for sector reform, if effective and sustainable development is to be our aim¹¹.

¹¹ For a defence of the basic principles underpinning sector reform and a warning against a hasty abandoning of the approach for the next (PRSP) bandwagon, see also Reusse (2001) *What was wrong with structural adjustment?*

3 Dimensions of participation

Since the introduction of sector wide approaches, the issue of stakeholder participation has been recognized as both a key requirement as well as a critical constraint. This chapter presents an analysis of practical ‘close-to-the-ground’ experience, based on exchanges with national resource persons at field level and during international fora and workshops.

In order to make the participation objective operational, it is useful look at how stakeholders can be categorised and to use these broad denominators when designing a strategy. Generally, stakeholders can be divided over several broad categories as in:

Category	Stakeholders
By level	national, intermediate (province, district) and grassroots level
By status	public sector, private sector, NGOs, CBOs, technical assistance and donors
By location	remote and non-remote areas / commercial, non-commercial and isolated areas
By function	clients, providers and facilitators

This division enables a more structured approach of the rather vague concept of stakeholder participation. In the following, a general discussion of stakeholder participation for different sectors and programme phases is followed by more detailed information on participation at different levels, for various stakeholder groups (*ie* by status) and, as increasingly becomes apparent, by geographical area (*ie* location). This list is neither definitive nor exhaustive, but these dimensions seem to emerge as common ‘dividers’ that help guide the discussion.

3.1 Productive versus social sectors

Privatisation is more pronounced in the productive sectors (*eg* agriculture and infrastructure). Typically, this means that the role of government is limited to areas of policy, supervision, legislation, monitoring and control. In social sectors, such as health and education, state-subsidised provision of services and inputs is justified to some extent. In productive sectors, especially agriculture, the provision of inputs, financial services and the marketing of produce is generally agreed to be a task of the private sector.

How wide is ‘sector wide’?

Agricultural programmes tend to take the (growing) role of private providers into account to varying degrees: some merely mention the fact (*eg* Mozambique) others are committed to private sector strengthening (*eg* Zambia) with the sector-wide budget aiming to eventually capture all funds in the sector. In the health sector, however, sector wide approaches are predominantly concerned with the role of the government. Which means that the expenditure programmes covered by a SWAp typically excludes spending in related areas (*eg* water and education) as well as in private not-for-profit and for-profit (NGO and religious) sectors¹². Of course, programme administration is less complicated when its components are based on the structure of a ministry and its departments, but that doesn’t mean that it has to be limited to the action-radius of that ministry alone. A true sector wide approach should take the part that other stakeholders play in these areas into account as well.

¹² with the SWAp budget representing less than half of total spending in the health sector (Foster, Sep 1999)

Are programmes in social sectors easier to implement?

Agricultural producers' strategies have changed following market liberalisation¹³. Most agricultural ministries, however, have been slow to respond and now need to undertake considerable changes in their role and structure to meet the new requirements of their clientele¹⁴. Because of the less radical reforms that are required under social sector programmes, these are sometimes perceived to be easier to implement. The education programmes of Mozambique and Uganda are cases in point¹⁵. However, this may also (in part) be attributed to the early stages of these programmes as well as to their more limited scope. The Health Sector Programme in Zambia made a promising start, with high marks for donor coordination and community participation, but has since been bogged down by financial management constraints.

Box 1 Education programmes in Mozambique and Uganda

Mozambique views the need for human resource development as a cornerstone to the national development strategy and government commitment to education is high. Since 1990 a number of educational reforms were planned but these lacked a vision for the sector as a whole. In 1995 a sector wide strategy was formulated, which was appraised in 1998 and reviewed in 1999. A range of relevant stakeholders was involved from the start, including education authorities at different levels, NGOs, private schools, churches and other religious organisations. The media was used to prompt public debates on controversial issues. Local ownership is widespread and strong and government and donor expectations regarding successful implementation are high.

Similarly, the education programme of Uganda seems to be acclaimed all around. Strong ownership by the government appears to have been a deciding feature (Universal Primary Education was the government's electoral mandate). The programme focuses on a limited number of key issues and began implementation in 1999. Design, management and monitoring are through a coordinating committee linked to a number of working groups. Programme design for the education sector was much easier than that for agriculture. Development of the agricultural sector depends on a wide range of multi-sector and cross-sector inputs while outputs are highly influenced by external and/or unreliable factors like weather conditions. In comparison with the education sector, the range of relevant stakeholders in the agricultural sector is wider and the risks are higher. Consequently, the formulation of the agricultural programme took four years to prepare, that of education only a couple of years.

Contact: Virgilio Juvane, Walter Schreiber, Mozambique and Peter Ngategize, Uganda

Clearer role of the state in social sectors

The role of the state is generally considered to be clearer in the health and education sectors than it is in the agricultural sector. Government subsidised services and inputs are justified more easily in social sectors and there is a general consensus on the range and type of services required (eg primary education and primary health care for all). Agricultural service provision is more diverse and to what extent it should be covered by the state is, in part, dependent on the presence and strength of other actors in the sector. In addition, whereas the line ministries of health and education tend to be the dominant public sector players in their field, the agricultural sector is characterised by considerable cross-sector influence from other ministries (eg local government, infrastructure and community development or social welfare)¹⁶. An extreme example is Kenya where fifteen ministries are involved in the agricultural sector although the scope of the Agricultural Sector Programme was limited to that of the Ministry of Agriculture alone.

Public – private boundaries as bones of contention

As public sector roles are reduced, this should be accompanied by a reduction in government (line-ministry) structures. However, an understandable but persistent hesitance

¹³ Agricultural sector programmes tend to be implemented in the context of Structural Adjustment Programmes and their implications in the sense of financial and economic market liberalisation.

¹⁴ See Chitsiko (2000) for a case-study of the extension department of Zimbabwe's Ministry of Lands, Agriculture and Rural Resettlement.

¹⁵ See also Juvane and Schreiber (1999) on Mozambique and Malinga (1999) on Uganda

¹⁶ For an extensive analysis see the study by ODI's Centre for Aid and Public Expenditure (CAPE) called *What's different in Agriculture SWAs?* (CAPE, 2000)

to trim staff structures often hinders progress. In addition, and especially by weak governments, the private sector is often perceived as a threat, rather than a partner. Thus, public-private sector boundaries become bones of contention, with governments dragging their feet in long drawn out institutional reform processes.

Box 2 Redefining roles in Zambian agriculture: Transition stages as a help or hindrance?

Under Zambia's agriculture programme (since 1996), government's responsibility for the control of livestock diseases is restricted only to 'diseases of national importance'. Vaccination campaigns for these diseases are contracted out to private sector vets. The government monitors and pays upon satisfactory completion of the contract. Because of the lack of a private veterinary network, government officials were initially allowed to operate in a private capacity during a 'transitional' period. This backlashed, as some officers were present (or were represented) on tendering boards deciding over contracts for which they themselves had offered a bid. Under the current second phase of the programme, government-contracts are open only to non-civil servants and no civil servants can be named on the contractors' teams (causing some uproar in the ranks).

Several other transitional solutions are considered or piloted as part of the formulation of the second phase of the programme. In one of these, vets and veterinary assistants at field level are retrenched with packages of government contracts to carry out disease control and reporting. These government contracts should provide them with a threshold income on which basis they can expand their commercial service-provision to livestock owners in their areas of operation. This should be helpful, especially in remote areas, where a scattered and low demand makes the purely commercial provision of veterinary services impossible. Nevertheless, retrenchment of most staff categories remains a sensitive issue and appears to be circumvented again during the present second phase of the programme with another transitory proposal suggesting that government staff will be seconded to the private sector, but can be re-incorporated into government when they don't perform well.

Contact: Peter Sinyangwe, Nick Clinch, Zambia

Struggling with a transfer of responsibilities

Where agricultural programmes struggle with a transfer of tasks from the public to the private sector, programmes in the health sector face difficulties with respect to a handing over of responsibilities to communities. Under the Zambian health programme a twin-system of management structures was created: A popular structure (including neighbourhood health committees, health centre committees) as well as the regular technical structure (through district offices, hospital management teams and the Central Board of Health). However, overlapping mandates and confusion over responsibilities led to a review of the set-up¹⁷.

Combining vertical with horizontal approaches

In the health sector, reform has led to a move away from vertical programmes (such as Malaria, TB and HIV/Aids) towards support to comprehensive district health plans, in order to come to a more integrated service delivery at implementation level. In general, this has made local managers more creative in considering the broad range of health problems and their possible solutions and has reduced some of the duplication in structures and logistics. While this strategy has increased efficiency at the operational level, it has resulted to resistance to the overall reform process as vertical programme managers have lost perceived status, influence, and financial and other perks that often accompany such programmes¹⁸.

Development versus welfare

Although programme implementation may face tougher challenges in the agricultural sector than it does in other sectors, we should avoid drawing the conclusion that this makes it less an appropriate instrument for the agricultural development. In fact, the very challenges posed by a sector wide strategy highlight the need for extensive sector reform.

Health and education sectors may benefit from a clearer role of the state. However, when *sustainable* service provision is the programme goal, then this too requires a review of public resources and expenditure, a reduction of subsidies, the introduction of cost-recovery

¹⁷ see also Dietvorst (Jun 1999)

¹⁸ Lake (1999) and Walt (1999)

measures and a strengthening of alternative service providers in the private sector. Sector wide approaches therefore, expect senior policy makers to look beyond their ministry and explore the potential of stakeholders in the private sector, whether as service providers or financiers¹⁹. Failing that, social sector programmes will (continue to) have a welfare-orientation, rather than a development aim²⁰. Table 1 summarises a few often-cited differences between agricultural and social sector programmes.

Table 1 Critical differences between programmes in agriculture, health and education sectors

	Agriculture	Health and Education
Key sector programme objective	Household food security and efficient and effective national growth	Sustainable service provision
Recent challenges	Liberalisation of the economy	Surge in (aids-related) health problems
Role of the state	Needs considerable redefinition; no consensus; lack of clarity	Consensus is present or possible
Role of the private sector	Considerable and diverse; from community planning to private service delivery	Mostly community planning
Relation between public and private sectors	Often tense: strong private sector perceived as a threat and privatisation as a loss of control (and resources)	Mostly good: public and private sector stakeholders tend to share same objectives
Link to other sectors	Important; especially regarding infrastructure, local government, trade and industry	Cross-sector links less important
Privatisation component	Important	Less important
Need for institutional reform	Almost inevitable and likely to be extensive	Less likely and less invasive
Additional challenges	Highly sensitive to external factors, both environmental (droughts, floods) and economical (world market fluctuations, export limitations)	Long term policy environment is more predictable

¹⁹ Walt (1999) quotes examples of Ghana and Zambia Health where government has contracted mission-based service providers and where public providers are moved from the civil service to other public agencies.

²⁰ This is not to say that welfare programmes are necessarily wrong or should be avoided: There are situations of acute need and limited resources where welfare initiatives have an undeniable justification. However, it is important to be explicit on what is what: Allowing simple 'give-and-take' to continue under the guise of a development programme is to cloud objectives and acts as a recipe for regression rather than growth. This is especially so because target groups differ between the two approaches: welfare focuses more immediately on the needy (enabling a more straightforward resource flow) whereas development programmes are in part directed to strengthening the capacities of institutions and organisations whose job it is to address the concerns of the needy.

3.2 Programme phases

Policy documents tend to discuss stakeholder participation as a staged process following the chronological programme cycles of formulation, planning, implementation and monitoring. In practice, however, the distinction between phases is less clear and different phases tend to be implemented simultaneously as well as intermittently. A closer look at field experience can teach the following:

Beware for an obsession with the planning phase

National policy and decision makers, who are at the beginning of a sector programme-cycle, tend to feel obliged to ensure that extensive consultation processes are held at field level prior to programme formulation. However, those who have moved beyond planning into programme implementation, recognize that it is difficult to keep stakeholders on-board of a long-drawn out planning process²¹. Moreover, only a part of all the information collected during stakeholder consultations is used²² and much of the final programme-plan ends up not being implemented because of resource (and other) constraints. Experiences with Zambia Health suggest that, with hindsight, undue time and effort was spent trying to devise 'perfect' policies and systems on paper (such as defining the 'essential package' and a financing policy) with little attention given to the potential of decentralised management of health delivery and its envisaged impact on the health of Zambian people²³.

Box 3 Plans need to be rewarded with action: Experiences of Malawi and Zambia

In 1994, Malawi's Ministry of Agriculture prepared an Agriculture and Livestock Sector Strategy and Action Plan divided in several sub-sectors. The document is sector-wide in scope, identifies responsible actors beyond the ministry and was based on widespread stakeholder consultations. Unfortunately, implementation of the programme stalled. In 1998, formulation of the Malawi Agricultural Sector Investment Programme started. It was decided to use the earlier sector strategy as a basis, but because several years had passed, a review was needed to assess whether identified constraints were still relevant and proposed solutions still appropriate. Again, widespread stakeholder consultations were held. At present, the programme is still in formulation phase with stakeholders getting understandably impatient.

In Zambia, much thought and effort was spent on the first annual work-programmes of the Agricultural Investment Programme that started in 1996. Log-frames were used to identify activities, outputs and indicators. Bottom-up planning, in which a cross-section of grassroots level stakeholders were represented, got underway in 1997. However, subsequent allocations of district funds were small, irregular and bore no relation to identified activities. Overall programme performance was poor as only small parts of the original plans were implemented. By 1998 the 'planning morale' among sub-programme managers had sunk so deep that hardly any work-programme for 1999 was submitted to the ministry's planning department. This forced the department to turn to the old tactic of an across-the-board increase of last year's budget to compensate for inflation. Unfortunately, the crucial link between activities and resources, one of the programme's main strengths, was largely lost in the process. Understandably, this experience caused a loss of confidence among beneficiaries and implementers at all levels.

Contact: Ian Kumwenda, Malawi and Steven Tembo, Zambia

Programme progress is circular, not linear

Policy and decision makers at the start of a sector programmes often assume that they need to get all stakeholders involved and all activities planned from the very beginning²⁴. Those with some years of implementation under their belt know that a lot of re-adjustment takes place on the way. Planning is not a one-time activity. Important hurdles cannot all be foreseen or avoided through careful planning. In fact, an overly thorough planning process can backlash when subsequently plans are barely implemented and stakeholders feel

²¹ In particular with respect to private sector representatives whose opportunity costs are high.

²² Often assimilating and analysing the data collected is either beyond the capacity of the lead ministry or is simply too long a process in relation to government and donor (!) timetables.

²³ Lake (1999) and Walt (1999)

²⁴ Often also pushed by donors who claim 'planning tools and strategies' as an area of specialisation.

cheated. A worthwhile exception may be Ghana health, which followed a realistic approach focussing on a few strategic priorities, such as improving district level services, and allowing a sequence of other issues and measures to develop from there as and when these became relevant²⁵. In this case, success was allowed to create its own momentum enabling the gradual incorporation of more ambitious ideas as capacity and confidence grew.

Allow stakeholders' request to participate grow over time

Stakeholder participation will only really be successful when stakeholders themselves perceive the benefits thereof²⁶. During successful programme implementation, these benefits will become progressively clear. Soliciting stakeholder input on issues such as the management of Rural Health Centres, Parent & Teacher Associations, the marketing of crops and livestock is easier than maintaining an interest in general sector programme planning. Especially for stakeholders at grassroots level it is often difficult to understand what a sector programme means in their lives until begins to be implemented and the changes and challenges it introduces become apparent.

Opt for a selective and staged consultation

At times, village level workshops are organised before apex organisations (eg farmer unions, producer or commodity boards, relevant NGOs) are involved. This can lead to a situation where public resources are wasted in an effort to mobilise grassroots level stakeholders who could be more efficiently reached by involving farmers' unions or NGOs with broad-based memberships. Or to a situation where clients are told about a reduced government service package without being informed of alternative service providers. Often governments (under donor pressure) have their own timetable that sets the pace of the programme, which gives stakeholder organisations insufficient time to consult their membership and establish a common position from which to negotiate. The Zimbabwe's Farmer Union consulted their nationwide membership to come up with recommendations regarding the type and location of agricultural services required in the field, only to be told that the Public Service Commission had already decided on where, which types of agricultural staff would be placed²⁷.

Should institutional reform precede the sector programme?

The reform of government structures to suit their new (and often reduced) role under a sector programme tends to be a sensitive and disparaging process, especially in countries with a tradition of social governing and state dominated production and marketing sectors. Zambia agriculture began implementation before reform of the ministry had started. By now, it is recognized that the continued existence of bloated government-staff networks "crowds out" private sector participation: Unless the government visibly and reliably (!) withdraws, the private sector cannot effectively take over²⁸. Zimbabwe is presently attempting to avoid Zambia's pitfalls by carrying out an institutional reform of the ministry prior to launching its agricultural programme²⁹.

Does institutional reform need external facilitation?

In implementing institutional reform, the relevant line ministry is assumed to take the lead. However, a reduction of responsibilities and a loss of staff are threatening from a government-perspective. Most (if not all) sector programme experience so far demonstrates a sluggish approach to institutional reform, which seriously impedes programme progress.

²⁵ Foster (Sep 1999)

²⁶ And, in fact, benefits which exceed the cost of their participating: Not only large entrepreneurs are reluctant to spend time in consultations from which they see little impact. Even smallholders (particularly women) will weigh the benefits of time spent in village meetings against time spent in the field.

²⁷ Tsikisayi (2000)

²⁸ DSI (2000)

²⁹ Of course, it should be acknowledged that institutional reform is often part of a nationwide civil service reform programme, with sector ministries having only limited control over the agenda and timetable of the process.

Despite the importance of change coming from within, the call for additional facilitation by an external actor is getting louder³⁰. This would allow a more timely and transparent process and, to some extent, a “shouldering-off” of the blame for the social cost of reform³¹.

Box 4 Institutional reform in Zimbabwe

Institutional reform processes in Zimbabwe started two years ahead of any serious consideration of sector programmes. Interestingly, an investment in capacity building of personnel went before the process of staff retrenchment, in contrast to other cases where capacity building follows retrenchment so that the investment is limited only to staff that are retained. Advisors and policy makers in Zimbabwe believe that the cost of lost investment when trained people leave is offset by the gains in an understanding and acceptance of the need for reform that is fostered through this widespread capacity building programme. The programme completed its first phase (1998-2000) which concentrated on changing mind-sets during which senior staff were supported to mature from administrators to managers by assuming leadership roles based on performance management and intrinsic motivation rather than mere control of sub-ordinates. This phase involved over 30 workshops in 54 districts covering over 3000 field, specialist and management staff. The process created a fertile ground for the second phase, started in 2000, during which a core function analysis forms the basis for a substantial re-organisation of government structures, processes and operating approaches.

The experience so far has demonstrated that facilitation by an objective and professional ‘outsider’ (or ‘change process consultant’) has helped to get over ‘dead-spots’ and provides relief especially during vital exercises such as core function analyses. Important, though, is that major change management programmes need internal, continuous, centre-point facilitation. Periodic consultancies have proved ineffective. A second lesson is that the commitment and ownership among senior management is absolutely essential and can only be achieved when they are involved deeply from the start in understanding the principles of process facilitation. Experiences that helped senior management to form a vision and a strategy included visits abroad to compare alternative service provision (eg veterinary department to Australia, extension department to Chile) and a senior management course in which heads of department were trained alongside private sector managers.

Contact: Ernest Danda and Mike Connolly, Zimbabwe

3.3 From national to grassroots levels

A decentralisation of responsibilities is adopted by sector wide approaches to achieve a more appropriate and effective service provision. Decentralised functions generally include planning, budget preparation and, less often, financial management.

Moving resources below the national level

Accurate figures on pre- and post sector programme funding of decentralised levels are difficult to obtain, but there is some evidence that moving resources below the national level is a difficult process. For example, during the mid-term-review of Zambia agriculture, funding levels of a number of district level sub-programmes was estimated at between a quarter to half of their pre-sector programme levels³². In general, many resources tend to be used at national level for human capacity building (seminars, studies, workshops), transport (vehicles, fuel) and office equipment (computers). Though these are key-components of a management structure, they are only a means to an end, not an end in themselves. Ghana health demonstrates that when an increased delegation of responsibilities is coupled to rising budgets, this can be a powerful motivation to district staff³³.

³⁰ Bialluch *et al.* (1999)

³¹ Senior civil servants stated that their ability to preside over the fate of (long-term) colleagues is limited.

³² For example the funding at district level of the Extension Sub-Programme was only 30% of pre-ASIP levels in 1996, dropping to 25% in 1997 and expected to have fallen further in 1998. In part because of lower overall spending in the sector, but more importantly because funds for major programmes, such as the World Bank's Research and Extension Programme (ZAREP), were now channelled via the central basket as opposed to divided over districts directly, as had been the case prior to ASIP (INESOR, 1998).

³³ Foster (Sep 1999)

Moving resources beyond the public sector

The term *Public Expenditure Programme* is often confused with *Public Sector Programme*. Though the budget of a sector programme relates to public funds, its scope aims to be sector wide, acknowledging that the government is only one of the actors responsible for the development of the sector. Unfortunately, some programmes are still formulated as public sector programmes only, eg Mozambique agriculture with a strong focus on restructuring the ministry. In this case, whereas the programme document refers to a series of functions to be handed over to the private sector, no activities are identified (or resources allocated) to support this process³⁴. Even where sector programmes were formulated as truly sector wide in scope, such as Zambia agriculture, the programme budget subsequently tends to be seen as the ministries' funds, meant for activities by the public sector only. To overcome the ensuing shortfall bilateral donors in Zambia have begun to increasingly support the private sector directly³⁵. Although this effectively continues to represent the fragmented and un-coordinated donor-support that the sector programme was meant to overcome, it is understood that the tendency towards donor-controlled sector programme funds is likely to grow if no alternative is found to assure funding outside the public sector.

Decentralisation has led to parallel structures

Especially in countries where a number of sector programmes are implemented concurrently, parallel structures have been created under different sector programmes. This has often led to an array of local boards and committees, which tend to claim the few competent persons in the area who sit together in all of them. A duplication of efforts seems unavoidable and some grassroots level stakeholders (both in and outside the public sector) believe that cross-sector cooperation has suffered since the introduction of sector programmes due to this 'compartmentalisation' of concerns into sector specific structures³⁶.

High expectations cause capacity constraints

'Lack of capacity' is most often mentioned as constraining successful decentralisation. But, it is naïve to assume that capacity strengthening is the answer. Of course, training is a critical component of any decentralisation strategy, but it should be complemented by other measures in order to yield a return. Important among these are attractive labour packages for staff at lower levels, avoidance of frequent staff transfers and a reliable commitment to stakeholder platforms to ensure their continuity (eg in the form of a salaried secretariat). In addition, parallel structures and unrealistic expectations have to be avoided as much as possible. Sector reform in Zambia led to the establishment of Financial Management Units at district level to manage sector programme funds. This overstretched the countries' supply of qualified accountants and fresh graduates were used to make up the numbers. Subsequently, donors' requirement to track their funds led to an situation where inexperienced people had to manage a system in which funds were first divided over sub-components and then further sub-divided into separate budget lines for each contributing donor, meaning that 40 to 60 ledgers had to be kept at any one time. No wonder a senior policy maker remarked that "no amount of training is ever going to make this financial system work"³⁷.

³⁴ Dietvorst (Jun 1999)

³⁵ DSI (2000)

³⁶ Ironically, cross-sector cooperation seems to have suffered most where these local level structures are relatively well-funded. In the words of a District Health Officer: 'There are two kinds who never cooperate: those who have nothing and those who have everything'. Members of the first category avoid asking others for help (or are shunned) as they can never reciprocate; those in the second category don't need anyone. The existence of SWAPs in some, but not all, government departments, has sharpened this divide at field level (Dietvorst, Aug 1999).

³⁷ DSI (2000)

Cross-sector cooperation

The potential for effective cross-sector cooperation is generally thought to be highest at the operational level. Even when parallel structures have thrown up communication barriers, different stakeholders are more likely to share common goals and constraints than is the case at higher levels. In addition, the growing use of participatory approaches at field level has brought crosscutting concerns to the fore, requiring a coordinated response by staff from different (sub) sectors. In Uganda and Tanzania, local governments manage funds for use in sector-development as part of a cross-sectoral District Development Fund.

Box 5 Local government as coordinator of cross-sector development in Uganda

In Uganda, sector reform is conceived under the overarching and nationwide Poverty Eradication Action Plan of 1997 (revised in 2000 and accepted as Uganda's Poverty Reduction Strategy Paper). Under this poverty eradication strategy, sector-work groups were established resulting in the formulation of the Plan for the Modernisation of Agriculture as the agricultural group's output. This formulation process led to a plan for the agricultural sector which has adopted poverty eradication as its overriding objective and which is based on the premise that multi-sectoral approaches (and not just a focus on agriculture) are needed to improve the lives of people who depend on agriculturally based activities. This, in turn, resulted in the allocation of funds to a non-sectoral grant that can be used to implement activities in any sector as long as they enhance natural-resource-based livelihoods. Interestingly, management of this grant will fall under the ministry of local government. The initiative is linked to a programme of local government development that has been on-going in seventeen out of the country's 36 districts with a pilot phase starting in the 2000/01 financial year.

An assessment of the longer-running local government development programme has revealed that local governments tend to use available non-sectoral funds predominantly for traditional service sector programmes, such as health and education while hardly 4% was allocated to the productive sector. Therefore a number of principles were put forward to assure that the present non-sectoral grant under the agricultural programme does help to resolve constraints that limit local agricultural production. Even when these constraints or solutions themselves cut across sectors, such as seasonal ill-health during harvest time, community facilitation, road maintenance, bridges or dams. These include that the investment must be based on multi-disciplinary analysis of why agriculture is not thriving, there must be evidence of community participation in the planning process and it must benefit especially the most vulnerable farmers in a given locality.

Contact: Peter Ngategize, Uganda

Intra-sector cooperation

Even *within* sector programmes, coordination has proven difficult. In general, the higher the level, the more difficult it is to come to a meaningful cooperation. At the grassroots level, immediate concerns are pressing while available resources are relatively small and local staff are easier held accountable. At higher levels, the ultimate problems to be addressed by the sector programme (eg hunger, ill-health) become abstract and are replaced by concerns over the sharing of responsibilities and resources: Between actors, eg the public and the private sectors, as is common in agriculture, or between managers of vertical and horizontal programmes, as is common in the health sector.

The potential of sub-sectoral policy groups

It has proven notoriously difficult to build a policy consensus between partners in a sector reform process. Steering committees at national level seem to be established and then abandoned or ignored. Better experiences were obtained in Zambia with sub-sectoral policy groups in both the health and agricultural sectors. Both sectors saw a gradual emergence of joint government-donor groups, mobilising around specific issues such as drugs, reproductive health, livestock production, research and extension. These bodies tend to mix elements of technical policy, management and donor coordination and have facilitated progress in key areas of service provision³⁸.

³⁸ Lake (1999) and Clinch (2000)

3.4 Stakeholder categories

Especially at the start of a sector programme, much effort is spent identifying the range of relevant stakeholders and how these can best be consulted. This is useful, provided that it results in a realistic plan in which priorities are not only identified, but also receive adequate resource allocation. In most cases, however, a number of stubborn obstacles prevent this from happening.

Capacity and institution building has a public sector focus

Under a sector wide approach, non-public sector stakeholders are expected to enter into a constructive dialogue (eg with the implementing line ministry) during planning stages or take on complementary responsibilities during implementation (eg functions that are released by government). In Zambia, part of the responsibility for supporting stakeholder platforms was assumed to be with the wide range of locally based NGOs. Only during implementation was it realised that these NGOs themselves needed to be supported first. A process for which no activities or resources were identified³⁹. Zimbabwe's agricultural programme foresees a handing over part of its farmer training activities from the government to national farmer organisations⁴⁰. Despite this formal re-division of roles, a distinct capacity and institutional building component for private organisations is not built into the sector programme⁴¹.

Box 6 Capacity and institution building: of whom? A report from the Zimbabwe Farmers' Union

During the implementation of Zimbabwe's Agricultural Services Management Project the importance of involving service recipients in the restructuring process was realised. Stakeholder panels were set up in the areas such as extension, veterinary services and agricultural research. One of the main stakeholders concerned is the Zimbabwe Farmers' Union (ZFU) that represents the interests of smallholder and resettled farmers. It has a nation-wide extensive organisational structure from the village to the national executive council. ZFU's role included the creation of awareness among farmers regarding the revised service delivery structures, farmer mobilisation to effectively access extension services, input supply and marketing information. Constraints in exercising this role came from an uneven availability of resources: While the public sector was involved in building its capacity for this agricultural reform process, no corresponding capacity building for ZFU, or any of the other non-governmental (private) actors, took place, which hampered progress and limited effective participation. Thus, 'consultative meetings' continued to follow a largely top-down approach where stakeholders were simply informed rather than consulted.

Contact: Sylvester Tsikisayi, Zimbabwe

Limited impact of capacity building of stakeholder platforms

Stakeholder platforms typically consist of a cross-section of representatives of relevant stakeholder categories. By making these platforms responsible for planning it is hoped (or assumed) that resultant plans are based on local priorities. In practice however, stakeholders with little prior knowledge of the 'annual plan and budget' jargon are easily dominated by the government representatives on the panel, even when the latter are in a minority. Where this is recognised, training programmes have been initiated to encourage and enable stakeholders to articulate their needs. Unfortunately, the impact of these training programmes tends to have been limited because of three main reasons⁴²:

- *High cost*: widespread training at grassroots level is expensive in terms of logistics, time and manpower. Therefore it tends to be done superficially, eg only in some areas, only for selected stakeholders and only as a one-off exercise.
- *High turnover of representatives*: The composition of stakeholder panels or platforms tends to be fluid because of different factors including frequent changes in (government

³⁹ INESOR (1998)

⁴⁰ Most importantly the Zimbabwe Farmers' Union (ZFU) and the Farmers' Development Trust (FDT).

⁴¹ Dietvorst (Jan 1999) and Tsikisayi (2000)

⁴² see also Dietvorst (Aug 1999)

imposed) membership conditions (eg relating to proportion of women, the need to represent a community based organisation, the need to be elected), lack of means (eg when travel costs are not reimbursed, members from far away stay away leaving those who live nearer) and a loss of members due to disease or death.

- *Lack of continuity:* In the initial phases of a sector programme, commitment to decentralisation and participation is high and stakeholder platforms are established. Despite their need for reliable and continuous support, non-public sector stakeholders at the grassroots seem to be at the furthest end of the receiving ladder⁴³. This threatens their continuity and reduces the returns on investment in capacity building.

The role of stakeholder platforms needs to be clearly defined

There is a growing consensus that in pursuit of stakeholder-driven development, sector programmes went from one extreme to another. Where grassroots level stakeholders used to be rather non-articulate, recipients of whatever came their way, they are now expected to almost formulate the programme. However, this is neither feasible nor desirable. Much of what comprises a sector programme is dependent upon national level coordination and planning. Quite apart from the considerable capacity and coordination constraints, it is risky to have local stakeholders decide whether or not they would like, for example, vaccination campaigns to be carried out⁴⁴. To avoid unrealistic expectations, there is a need to be explicit on what activities local stakeholders can decide on and how much funds they have available to cater for these. Tanzania Health has made steps in that direction by establishing a basket for funds allocated to both the central and the district level⁴⁵.

Box 7 National and district basket funding of the health sector in Tanzania

Since 1995, the Tanzanian Government is implementing a comprehensive health sector reform programme. A major component is the decentralisation of health services, a process that has recently been linked to the local government reform programme (started in 2000 in 37 out of 116 districts). The health programme has adopted a basket system consisting of a central and a district budget. The central budget is for activities to be implemented at national level or dependent on national level coordination (eg drug supply and vaccination programmes). The district budget is based on a district health plan, to be developed by a district health management team, approved by the district council and accepted at national level by both Ministries of Health and Local Government.

To avoid 'wish-lists' there is a ceiling to the district basket grant of 0.5 US\$ per capita of total district population. To encourage responsible use of resources, guidelines were developed outlining a rough division of funds over groups of services (eg 35% district hospital, 5% community initiatives). In addition, ceilings were set for the proportion of the budget to be spent on allowances (20%) and fuel (15%), these being the main areas of fund-misuse. Additional contributions to the district budget are locally generated, eg through income from user fees, giving the district some extent of autonomy from the national level. The process so far has provided a lot of transparency regarding budgets, at national but especially at district level, and is expected to improve the accountability of health service providers vis-à-vis their clients. However, with hardly any previous financial management and accounting experience at district level, the lack of capacity is a major bottleneck.

Contact: H Görgen and Kathrin Laukner, Tanzania

Field staff

The effect of sector reform on field staff can be profound, especially in the agriculture sector. Before agricultural reform, field staff often acted as channels for fertiliser, seed and even credit, assuring them a certain standing in their areas of operation. Often, when these responsibilities are withdrawn following privatisation, little is offered in return. Nevertheless,

⁴³ Eg during the formulation of Zambia's agriculture programme, the World bank considered the establishment of District Agricultural Committees a precondition for their support. When no government funds were forthcoming, IDA made funds available for the establishment and initial operation of these committees. However, hardly any government funds have since been made available after the IDA money ran out, roughly around six months after the committees were set up.

⁴⁴ Often it is found that when certain diseases are successfully being prevented through vaccination campaigns, local people believe the danger has gone and no longer consider the control of such a disease as a priority

⁴⁵ Görgen (2000) and Laukner (2000)

the role of field staff is crucial, especially in the context of market liberalisation. For example, Zimbabwe Farmers' Union staff received marketing capacity building under a Swedish programme. Their value as mediators between local farmers and commercial traders soon eclipsed the role of the local governmental extension officer, with farmers provocatively denouncing the government extension worker as useless⁴⁶. Yet, given the same opportunities there is no reason why government extension staff cannot fulfil this same crucial role. The situation is exacerbated when institutional reform results in frequent staff transfers, as staff are hesitant to invest energy in a programme when they are unsure whether they will remain part of it. Similarly, decision makers are hesitant to train staff without knowing whether they will stay. As a result, staff are ill-equipped to take on their new roles and communities end up being deprived of information⁴⁷.

Local government

Decentralisation under sector programmes has often caused local government to have been by-passed. Although not everywhere, local government is generally seen as overstaffed and under-funded and an inappropriate channel to foster stakeholder participation in sector programmes. Nevertheless, local government does represent the stakeholder with a mandate for cross-sector coordination and local development. In a number of countries, such as Ghana and Malawi, decentralisation processes have more of a local government focus; with district level local governments being strengthened while sector programmes are still in formulation phases. The intention is that local stakeholder demand will be articulated through local government platforms, eg District Assemblies, and from there be integrated into the various sector programmes, though this horizontal integration confronts a lot of hurdles⁴⁸.

Box 8 Sectoral decentralisation and the role of local government in Ghana

As early as 1988, Ghana embarked on a policy of decentralisation of local government with the enactment of the Local Government Law. District Assemblies were set up, and measures were taken to encourage popular participation and ownership of these assemblies, eg remove literacy as a qualification for seeking election and reduce the proportion of appointed members to 30% (as a threshold of nominees with the required technical and managerial skills) with 70% of representation by election. A District Assemblies Common Fund was set up for use in local community projects. Sector decentralisation is seen as a necessary complementary process to the strengthening of local government in order to equip assemblies with the required technical support and to ensure an integrated district development.

However, though decentralisation of responsibilities under line ministries has taken place, the lines of resource allocation and reporting remain vertical, up to line ministries' headquarters. The aim of the local government decentralisation programme is to eventually bring the sector departments under its supervision so that local heads of sector departments become technical department officers under the District Assembly. Understandably, this proposal has met with a lot of resistance and is undermined by actions such as the establishment of a separate Education and Health Service (alongside the supposedly overarching Local Government Service). Important issues such as civil servant seniority and salary and career prospects, will make that this proposal will continue to be defied at local level. At the national level, budgets are still drawn along sector lines and responsible ministries' will argue the importance to remain in control of the budget in order to ensure adherence to national policy. Thus, the Local Government Service Bill, which repeals laws and enactments within decentralised line ministries to make them subordinate to the District Assembly, is still not passed by parliament.

Contact: Levina Owuso and Reinhard Trenckle, Ghana

Involving the private sector in programme design

A positive effect of sector wide approaches is the awareness that has been created regarding the range of stakeholders and their roles. In agricultural programmes, an acknowledgement of the importance of the private service providers has led to their being included in processes of programme design. These public-private consultations have been

⁴⁶ Dietvorst (Jan 1999)

⁴⁷ In fact, at times, communities are actively *misinformed*: Some (not all!) Veterinary Assistants in Zambia feel threatened by the growing number of Community Livestock Auxiliaries, trained under the agricultural programme and contradict government policy by claiming that these CLAs are not officially allowed to practice.

⁴⁸ See also Otoo (2000)

useful in producing helpful insights and proposals with regard to the intended privatisation of services. In Kenya agriculture, a series of strategic management meetings with relevant stakeholders from public and private sectors was held at sub-sector level. On the basis of these meetings, 'public sector exit' and 'private sector entry' plans were developed for 16 sub-sectors (related to crops, livestock and veterinary sub-sectors). Participants praised these meetings as eye-openers highlighting the need for reform. Unfortunately, so far, these proposals have not been addressed at policy level and the process has now been overtaken by the formulation of the Kenya Rural Development Strategy, which requires an evaluation of all planning efforts to date, in order to design a suitable re-entry⁴⁹.

Box 9 Public-private sector partnerships in policy formulation; Experiences from Zambia

In Zambia, a national steering committee was set up in 1995, in the early stages of the agricultural programme with representation from the private, public and donor sectors. The ministry soon abolished this committee, claiming it was too central and too narrow a platform for stakeholder representation. However, in 1998, a mid-term review of the programme revealed an over-emphasis on public sector capacity building and recommended anew the creation of a joint public-private steering mechanism. This led to the establishment of the ASIP Consultative Forum, which draws its members from different ministries, agribusinesses, farmer, NGO and donor sectors and is co-chaired by a public and private representative. A three member public-private secretariat provides organisational and technical support. The secretariat is largely run on donor funds that are part of the overall funding of the agricultural programme. The forum is conceived as an advisory organ to the ministry, with emphasis on the promotion of public-private sector partnerships. Second, the forum acts as a kind of buffer between the ministry and the often-conflicting advice from different donors (and other stakeholders) by condensing these into common denominators for agricultural reform.

The forum has produced a number of useful policy proposals. One of these outlines possible fertiliser marketing mechanisms that would allow the government to assure availability in non-commercial regions without undercutting private sector marketing through widespread (and often ad-hoc) subsidised fertilizer provision. Unfortunately, the ministry decided on a revival of the cooperative system instead (with government cooperatives as outlets for inputs and credit) which, of course, implies something of a policy u-turn and caused an abandonment of the fertiliser-market by the private sector. Nevertheless, the value of the forum is recognised outside the public sector also and a number of proposed agricultural programmes are exploring modalities for working closely with the forum (eg the Research and Capacity Building in Support of Agricultural Sector Growth Programme under USAID and the Smallholder Enterprise and Marketing Programme under IFAD).

Contact: Anthony Mwanaumo, Zambia

Involving the private sector in programme implementation

A pre-requisite to effective private sector involvement is a clear vision regarding the role of the private providers, supported by an appropriate legal and regulatory framework. Within that context there are several ways to further strengthen private involvement: High priority services that are commercially non-viable will continue to need government financing, but need not be provided through the public sector. Instead, under a sector wide approach government can contract private providers, either for certain types of services or for services in certain regions. Donors supporting a sector programme can label parts of their funds as to be spent against such contracts, which in Zambia agriculture is called 'programme funding under special agreement'. More often though, donors fund the private sector directly, such as in Uganda where between 10 to 15% of donor resources to the agricultural sector are channelled through NGOs, farmer organisations and civil society organisations⁵⁰. These fund flows resemble the earlier project based financing (see *Moving resources beyond the public sector* p15) there is a sector wide policy but lack of donor confidence in government capacity, these direct funding mechanisms may be justified, provided that they finance expenditures which are part of the agreed sector strategy, that information on them is captured in the sector wide budget and that efforts are made to progress towards a situation where government procedures are used to disburse and account for all public funds in the sector.

⁴⁹ Especially for parastatals exit strategies were developed: The Dairy Board has undergone a reformulation of its core functions in the direction of regulatory tasks, with similar changes being prepared for Coffee and Tea Marketing Boards (pers. comm. Moshe Mutua Kihu and Werner von der Ohe, Kenya)

⁵⁰ pers. comm. P Ngategize, Uganda

Gender

The acknowledgement of gender issues has grown and specific mention is made of it in (most) sector policy documents. However, whereas education and health programmes include components as 'education of the girl-child' and 'mother and child health care'⁵¹, the translation of gender issues presents more difficulties in agricultural programmes. In a comparative study it was found that 15 out of 24 agricultural sector programmes made some commitments to gender in agriculture, but that no specific interventions were incorporated or specific budgets earmarked to address these intentions. Positive exceptions were Mozambique, with explicit activities to secure women's access to land settlement and title deeds; Kenya, with an emphasis on indigenous agricultural practices and the development of appropriate technologies for women; and Ghana, where marketing infrastructure was improved based on women's needs⁵². A further hurdle to women's involvement in planning may be the criteria for appointment or election to stakeholder fora (eg representatives from farmer or commodity organisations)⁵³. Gender sensitive monitoring of impact is easier in health programmes with indicators as mother- and child-mortality and life-expectation of men and women⁵⁴. Gender segregated indicators are less common in agriculture.

Box 10 Gender and poverty alleviation in Mozambique's agricultural programme

A major focus of Mozambique's agricultural programme is poverty alleviation though increasing the access of the smallholder (family) sector to productive land, inputs and markets. The programme recognises the role of women in the sector, which is addressed systematically under major components of the programme; institutional development, research, extension, livestock and (most importantly) land tenure. Interventions under these components include: A holistic approach to research focussing on the sustainable use of natural resources; addressing technological constraints to women smallholders under extension; an emphasis on small stock under livestock; seminars on how to safeguard access and user rights to land for women under the land tenure component and creating a *gender-unit* within the ministry under the institutional development component.

These combined proposals sought to mainstream gender, a process which was to be overseen by the ministry's gender-unit. As part of a mid-term assessment of the programme, progress in terms of gender-mainstreaming was evaluated and found to be lagging behind objectives. The gender-unit was created in 1998, but had only one staff member with limited training in gender issues. The unit had no budget and did not take part in the consultative council of the ministry where plans and budgets are discussed. The training of *gender focal points* at provincial and district levels focussed more on discrimination than on the integration of gender issues in agricultural policies and programmes. Meanwhile, links between gender focal points and the gender unit were either weak or absent, with little sharing of information on what had been tried, what worked and what not. The study made several recommendations towards re-vitalising the process of gender mainstreaming, including: appropriate training to the gender-unit; supporting the gender-unit in coming up with a strategy for mainstreaming gender; establishing institutional connections between gender-unit and the gender focal points; regular exchange workshops for gender focal points; and the development of a gender-sensitive monitoring and evaluation system.

Based on: Fong and Mukhopadhyay (2000) *Gender in Agricultural Sector Wide Approaches*

3.5 Geographical areas

Investment programmes in the agricultural sector tend to be growth oriented and rather than doing everything everywhere, they make expenditure choices which include a withdrawal of government resources from services that are best provided by the private sector or a re-focusing of resources on areas of high potential. Both approaches are bound to reinforce regional disparities. Health programmes tend to be more equality-oriented with their objective of universal access to basic health care. However, existing regional disparities in staff and facilities make this difficult to achieve. Sector wide budgets may make regional disparities more visible as a first step towards closing these gaps.

⁵¹ see also Foster, Brown and Conway (Dec 1999)

⁵² Fong and Mukhopadhyay (2000)

⁵³ Dietvorst (Aug 1999)

⁵⁴ Lauckner (2000)

High potential versus low potential areas

Mozambique's agricultural sector programme focuses on high potential areas on the grounds of a need for rapid growth coupled to a lack of resources. Whereas the land sub-component aims at improving smallholders' tenure rights nation-wide, other technical sub-components have a location-specific focus. All agricultural extension (eg on crops, livestock, forestry) will be combined in a single multi-disciplinary extension system with a limited territorial coverage, targeting primarily the regions with higher agro-ecological potential. However, the approach needs careful monitoring of the impact on the vulnerable groups. Especially since the same extension network will be used to disseminate improved seeds and other inputs, which may, eventually, lead to a progressive marginalisation of low potential areas.

Isolated versus non-isolated areas

Despite the introduction of an equalising measure that bases district fund allocations population figures (*ie* 0.5US\$ per capita: see also box 7), an analysis of public expenditure in the Tanzanian health sector showed that not only are there disparities *between* districts, but also *within* districts, reflecting staff's preference for staying near to the district capital⁵⁵. Changing this requires the difficult task of motivating staff to serve in isolated and poor areas.

In Zambia, an attempt is made to redesign the agricultural programme recognising the fact that a wholesale withdrawal of government services has left people in isolated areas in a service-vacuum with negative repercussions on food security. The ministry commissioned a study to identify how isolated areas can best be addressed with the intention to adopt a differential area approach based its findings in the next phase of the agricultural programme.

Box 11 Reaching out to remote areas: the 'duality' of Zambia's Agricultural Sector

The first phase of Zambia's agricultural programme showed that a wholesale withdrawal of government services had left people in isolated areas in a service-vacuum with negative repercussions on food security. Government's concern for lack of food security in these areas tends to be translated in continued involvement in input supply. The University of Zambia was commissioned to conduct a study as to how to redress the situation, which was expected, by some, to offer justification for a continued subsidised distribution of fertiliser.

However, the study (popularly know as '*the Duality Study*') concluded that the surplus production of maize as a bulky and low value crop is unprofitable in isolated areas due to its high transportation cost to consumer markets and should no longer be supported. Instead, a range of alternative suggestions are offered based on an approach that (i) focuses on location specific potential (ii) basis itself on an investment-returns assessment which looks beyond the agricultural sector alone and (iii) actively develops joint initiatives with private and NGO actors. For example, high value crops, such as cotton and paprika, can justify high transportation costs. Linking investments between agricultural and infrastructure sectors can help remote areas become less isolated and can boost market potential for locally grown products while certain private sector initiatives have helped small-holder producers access commercial markets and can be explored as potential components of a sector wide strategy.

Mwape *et al.* (1998) *Strategies for increased rural incomes and food security in isolated areas of Zambia*

⁵⁵ Foster (Sep 1999)

4 Critical (cross-cutting) issues

4.1 Ownership

The original format for sector wide approaches included comprehensive and rather rigid pre-conditions. As implementation progressed, the flexibility of the approach increased almost by default, as the original requirements were practically impossible to meet. A wide range of local, home-grown versions of sector reform developed varying in scope and content. This process has led to a greater sense of ownership by recipient governments and there is some tendency (especially among bilateral donors) to indeed take more of a backseat position and allow governments to take control of the process. The preparation of the Ethiopian education programme is a promising example of what can be achieved. The initiative to embark on this programme was made by the government alone, without any pressure from the donor community. Only after this decision was taken, donors were asked to support the process. Throughout programme preparation this ownership was maintained, whereby Ethiopians wrote the majority of policy documents. The donor community provided advice and support, but did not impose their views on what should be the programme's content.⁵⁶

Within countries, ownership at a stakeholder level remains hard to realise. Hardly any programme evolved on the basis of a widespread national consultation. Even where consultations were held, a general criticism is that data have either not been incorporated or meetings were held to inform rather than consult stakeholders. It must be acknowledged however, that these consultation processes are costly and complicated and stakeholders themselves often fail to see the importance of being involved. The meaning of sector reform becomes clearer at implementation stages, which spurs a demand among stakeholders to be involved. These, more localised, ownership claims then revolve around practical and tangible issues, rather than general programme design⁵⁷.

In short, the initial rhetoric of ownership, often backed by widespread consultations and a detailed plan, is usually followed by a top-bottom implementation and subsequent disappointment among stakeholders with claims for involvement eventually growing as the programme progresses.

Tentative guidelines 'Ownership'

Allow for flexible programme design	To accommodate countries' individual circumstances and entry points and to encourage ownership by national policy and decision makers
Share the responsibility for widespread grassroots consultations	Engage existing and relevant stakeholder (apex) organisations right from the start; make use of their ability to inform and involve their members or clients
Opt for a selective and staged consultation	Allow time between different phases of consultation for stakeholder organisations to consult their bases and formulate a position for further negotiations
Consultation around tangible topics	Translate abstract policies into real-life scenario's; organise targeted discussions around tangible topics and avoid long and general discussions

⁵⁶ Martin, Oskanen and Takala (1999)

⁵⁷ see also Bialluch *et al.* (1999)

4.2 Decentralisation

The sector and the local government

Decentralisation under sector reform usually happens in the context of a nation-wide drive towards decentralisation under a civil sector reform programme. This means that, at field level, the decentralisation of responsibilities and resources to departments under sector ministries runs parallel to a similar strengthening of local government structures. The objectives of both processes tend to be the same: to come to a more appropriate use of available resources through a more demand driven service provision and higher levels of accountability to beneficiaries⁵⁸.

A comparison of country experience suggests that there are two broad scenarios: Zambia, Mozambique and Kenya show an almost unstoppable move towards sector programmes as the modus operandi of development efforts. Decentralisation in these countries has a sector focus, which means that local government tends to have been by-passed. Even where the sector policy originally envisaged a role for local government, reluctance to pass funds through their structures has led to the establishment of parallel sector-specific stakeholder platforms during programme implementation. At the same time, it is recognised that local government *does* represent the stakeholder with a mandate for cross-sector coordination, which is expressed as the intent to eventually merge sector-platforms with local government structures. In practice this would mean that agriculture, health and education committees would become sub-committees under local (district) councils or assemblies.

Ghana, Malawi and Uganda show a different picture: The decentralisation process there has a local government focus and entry point: (district level) local government is being strengthened while sector programmes are still in a formulation phase. The intention is that local stakeholder demand will be articulated through (district) assemblies or councils and from there be integrated into the various sector programmes. The envisaged control by local government of sector-departments is much greater in this second scenario. Ghana probably presents the extreme with its local government intending to sever vertical links of reporting and resource flow between sector departments and their ministry headquarters by making them 'technical' departments under the District Assembly. In contrast, where there is a merger foreseen by decentralising line ministries themselves, this is usually limited to the stakeholder *platform* (ie the agriculture or health committee), which is largely made-up of non-public sector stakeholders, with control over the actual sector department remaining under its own ministry. Table 2 has some advantages and disadvantages of each scenario.

Table 2 Differences between decentralisation with a sector and local government focus⁵⁹

Decentralisation	Sector based	Local government based
Membership to platforms	usually based on (sector-specific) capacity or interest	more easily based on political or traditional leadership structures
Adherence to national sector policy	more easily achieved	Difficult
Formulation of plans and budgets	More accurate on technical detail; easier to take resource limitations into account	Possibly less feasible
Resource allocation to plans and budgets	Dependent upon line ministry	Dependent upon local government (assembly or council)

⁵⁸ Kressirer (1999)

⁵⁹ Incorporates information by Uli Weyl, Malawi

Decentralisation	Sector based	Local government based
Risk of fund fungibility	Small, as sector departments are in control of own funds	Larger, as fund allocation to sectors may be informed by short-term priorities or preferences
Parallel structures	Unavoidable	Can be kept to a minimum
Barriers between sectors	High, in case of considerable fund discrepancies between departments with and without sector programme support	May be kept to a minimum when funds are allocated towards local priorities rather than sectors
Capacity constraints	Likely to be severe, as available local expertise is overdrawn, esp. re financial management skills	Also severe, esp. re local government's managerial and coordinating skills
Cross-sector cooperation	Difficult to achieve; needs continuous prodding and support	More easily institutionalised; allows for cross-sector resource sharing and complementarity
Role of private sector and civil society	Often clearer	Too focussed on public service issues; neglecting other actors
Cross-cutting issues	Difficult to address since being (partly) outside mandate	Can be addressed, depending on coordinating skills and commitment of local government
Addressing of district development priorities	Difficult, as activities depend on vertical resource allocation tied to sector boundaries	More easily achieved with a horizontal fund not tied to sector boundaries
Compilation of district development plan	Difficult, esp. when (finalised) sector plans have different formats and deadlines	More easy, when sector-specific activities are conceived as part of a district plan from the start

Vertical and horizontal approaches

The mistake is sometimes made to confuse the terms vertical and horizontal approaches with decentralisation via the sector ministry and via local government respectively. However, these terms should be understood differently. Within a sector wide approach a combination of horizontal and vertical approaches can be followed. This would require that activities under a sector wide approach are divided into 'negotiable' and 'non-negotiable' activities as follows:

- *Non-negotiables*: Activities which represent government core-responsibilities, need national planning and coordination, need to take place regardless of local stakeholder views and can be implemented in a top-down manner;
- *Negotiables*: Activities in which the budget foresees but whose inclusion in a sector programme is optional and can be made dependent on locally identified priorities. Implementation is demand-driven and based on a bottom-up process.

This division makes visible the fact that, realistically, not all can be decentralised, but instead a combination of national-driven (vertical approach) and locally driven (horizontal approach) programme implementation has to be aimed for. The horizontal approach would then involve defining the role of local stakeholders as responsible for the planning, coordination or

implementation of the ‘negotiable’ programme component, while non-negotiable activities remain the responsibility of the line-ministry under the vertical approach⁶⁰.

Funds for negotiable activities could then be removed out of the vertical structure and be relocated into a horizontal crosscutting budget to be divided over the districts⁶¹ (eg using indicators of local need and potential). The budget for non-negotiable activities would continue to be managed by the responsible line ministry and would be clearly and closely related to its core-functions. Salaries for district staff would not be a component of a district’s portion of the proposed horizontal, regional fund, but would continue to be part of the vertically administered programme budget, as they represent non-negotiable costs⁶². This review of activities and associated relocation of the budget presents district staff and stakeholders with a more realistic view on: *the amount of funds* that actually can be decided upon by local stakeholders; and the *kind of activities* that fall within the responsibility of local stakeholders⁶³. The absence of clarity on funds available is repeatedly brought forward as a key constraint to successful decentralisation⁶⁴.

While this division between a vertical and a horizontal programme component is little used in agricultural programmes, it does tend to be a common approach in health sectors. Mostly, the management of health services previous to sector reform used to be a very top-bottom affair with operational levels entirely dependent on national level decision making and funding. Under health sector reform a number of programme components remain vertically managed (eg malaria, TB and HIV/Aids) while district (or operational) levels develop priority-based, costed district plans supported by government, donors and the population. Part of the budget for these plans will continue to be allocated by the national levels, though most programmes foresee in some form of fiscal decentralisation whereby districts retain locally generated funds, eg consultation and hospital fees and revenue from local drug sales.

Depending on the strength of local government it can be assessed whether the different sectoral horizontal funds can be pooled into a district fund under local government management. This would indicate a kind of ‘half-way arrangement’ between the rather narrow sector-decentralisation and the fully-fledged ‘local government in charge’ option, and may be more likely to receive support and succeed.

Tentative guidelines ‘Decentralisation’

Divide sector activities into ‘negotiable’ and ‘non-negotiable’ activities	That is between government’s core responsibilities and optional activities based on local and stakeholder demand
Divide the budget into a horizontal fund for negotiable and a vertical fund for non-negotiable activities	With fixed (and non-negotiable) expenditures such as staff’s salaries and office rent included in the vertical (nationally managed) budget
Identify how best the horizontal fund can be divided regionally	For example based on potential or need; According to formulae specifying amount of funds per capita
Clarify the role of stakeholder platforms	Based on their (reviewed) responsibilities, ie limited to the negotiable programme component only

⁶⁰ Though sector wide approaches, almost by default, roughly follow a similar division, few are explicit on what can and cannot be decided on by local stakeholders. Tanzania health appears to be an exception.

⁶¹ Districts, provinces or other levels, depending on the country-specific levels of administration and implementation of sector programmes.

⁶² A similar set-up is tested in Tanzania health.

⁶³ This would also help make the role of stakeholder platforms clearer and would make capacity strengthening a more feasible option as it can be tailored to their actual responsibilities rather than their theoretical role.

⁶⁴ Kressirer (1999)

Tentative guidelines 'Decentralisation'

Clarify the amount of resources available for locally identified priorities and activities	<i>ie</i> the size of the horizontal fund which is available for activities identified by local stakeholder platforms
Provide <i>appropriate</i> capacity training of stakeholder platforms	Tailored to their actual (and reviewed) responsibilities and based on the amount of funds at their disposal
Ensure the continuity of stakeholder platforms	<i>eg</i> through a small salaried secretariat (paid out of programme funds); through decentralised revenue generation and allowing for an (autonomous) decentralised income sourcing
Support activity-based budgets	Decentralised funding and fund management should be clearly linked to decentralised plans
Assess the scope of a 'pooled' district fund	Whether horizontal funds can be created at decentralised levels in others sectors and if and how these can be merged; Need for 'labelled' funds to avoid short-terms objectives undermining long-term needs (<i>eg</i> protection of the environment)
Assess the possibility of local government managing a district fund	Depends on levels of capacity and experience and whether there is reliable funding of fixed local government costs (<i>eg</i> salaries, rents); Start small and increase responsibilities as capacities and confidence grow

Potential (mid-way) arrangement: *A (horizontal) district fund receiving sector funds for negotiable activities managed by district assemblies against plans by stakeholder platforms developed with technical input from sector staff and reporting to both local government and sector ministries*

4.3 Capacity building

People who are involved in the day-to-day management of sector wide approaches, invariably mention capacity constraints as a major (if not the most important) stumbling block to decentralization. Sector-wide approaches are well aware of this and commonly include considerable capacity building components. Expenditure patterns show that capacity strengthening tends to have a national and public sector focus. Although this may partly be explained by a general unwillingness of headquarter decision makers to part with funds, this is not the only reason. Others include:

- The need to strengthen the capacity of private sector actors (such as farmers' unions, NGOs) as part of a successful sector wide approach is often overlooked;
- The ministry responsible for implementation of the sector wide approach has only a limited awareness of the range of existing non-public actors and their role and potential in sector reform and development;
- Capacity strengthening at grassroots levels (*eg* of stakeholder platforms, CBOs) is complicated, costly and cumbersome: An demanding logistical exercise, needing a lot of highly skilled manpower;
- At the same time, the returns of capacity building at grassroots level are fleeting: A change in national policy, or in membership or responsibilities of stakeholder

platforms themselves, may require new training and may make earlier capacity building investments unproductive.

This is why any policy on capacity building has to be complemented by a number of other measures to make it worth implementing. Otherwise, one indeed risks pouring money down the drain, which in the case of grassroots structures is particularly damaging, as they have few other sources of support: A loss of confidence among national level decision makers may spell the end of any programme investment in grassroots level training at the cost of stakeholder participation and demand-driven development. The fact that, some years down the path of implementation, true demand-driven development comes to be seen as a Utopian dream can often be blamed on unworkable expectations. By formulating over-ambitious terms of reference for stakeholder platforms, we make their failure a self-fulfilling prophecy. Their roles *have* to be based on what is possible and can grow over time as capacity allows.

Capacity training of field staff deserves a lot of attention. First, because field staff are key-informants at field level and are crucial in mobilizing communities. Also, a situation should be avoided where field staff feel threatened by new approaches towards community empowerment and may be tempted to undermine the process by misinformation.

Tentative guidelines ‘Capacity building’

Clearly delineate the roles of public and private actors in sector development	Based on the sector policy and as a pre-requisite to any capacity training intervention
Use capacity building of public sector decision makers to foster broad-based acceptance of institutional reform	Which means that capacity training should start prior to institutional reform, on the basis that the benefits from reduced resistance to reform outweigh potential losses incurred after retrenchment
Develop capacity building programmes for field staff to increase their understanding of sector reform and to enable them take on their new role	Avoid a situation where field staff’s traditional role is reduced without supporting new responsibilities in return. Recognize staff’s importance as both resource persons and facilitators of local communities
Identify relevant stakeholders’ organisations and their role in sector development	Such as farmer unions, NGOs and CBOs. Especially note apex organisations that have accessible and broad-based memberships
Build capacity of these organisations at programme formulation stages	In order to base programme design on a true dialogue between stakeholders, which, in turn, helps dissemination of information and involvement of stakeholders at grassroots levels
Define realistic stakeholder platform roles taking existing capacity and available resources for capacity strengthening into account	Avoid over-ambitious terms or reference (even when they look good on paper!). Instead opt for a gradual growth of demand driven development as capacity and confidence increase
Tailor capacity training to realistic stakeholder roles	Limit capacity training to what actually can be put into practice
Opt for re-current training in favour of a one-off exercise	Allow for a ‘learning-curve’ using repetition and refreshing, interspersed by periods of consolidation during which skills are put in practice
Ensure that acquired skills can be put into practice	Reward realistic plans with the resources to implement them

4.4 Institutional reform

The perception of institutional reform differs among programme implementors, but is rather reliably linked to the stage of the programme and is variably described as: First, a pre-requisite, then an initial programme phase, subsequently a major stumbling block and, at times, almost a killing factor. Incomplete institutional reform causes something of a 'ripple-effect' in the rest of the sector wide approach. It's most damaging consequences include:

- *Halts intended privatisation or private sector development.* Maintaining a large contingent of permanent-payroll staff when policy dictates a reduction in government functions causes a lack of public sector resources to privatise or contract out.
- *Maintains the dependency-syndrome.* A continued trickle of subsidised services further creates unfair competition and a keeping of services above a threshold level that feeds the dependency attitude at grassroots level and compromises self-help initiatives and motivation.
- *Weakens the position of field staff.* When staff's positions are at risk of impending reform measures, there is hesitance to commit investments to them. Job insecurity, a loss of responsibilities (as may be the case in agricultural reform), coupled to a lack of strengthening of new skills (eg mediation between producers and private buyers) considerably weakens their vis-à-vis their clients.
- *Deprives stakeholders of assistance.* Ultimately, at the grassroots level, stakeholders suffer a lack of information (field staff don't know), get unclear information (field staff feel threatened by community empowerment) and receive no or little help to meet the challenges of reduced government service provision or market liberalisation (field staff are not skilled to deal with these new requirements).

Because the government often perceives itself to loose out in the process of institutional reform, implementers are increasingly calling for some external facilitation of this process. And not only those from outside the government, senior civil servants themselves say they find it hard to preside over the fate of their long-term colleagues and friends. Experience from Zimbabwe underlines this view, but emphasises the complementary character of this external facilitation. First and foremost, change continues to need to come from within. A further point is that when external facilitation, eg in the form of Organisational Development consultants, is used, this needs to be adapted to local circumstances. Table 3 presents some illustration of the required adaptations.

To bridge the gap between existing government and intended private service provision, a variety of transitional phases or solutions are adopted. These have potential but can also bear risks. A clear lesson is that it is important to honour public-private boundaries, rather than having civil servants act in a private capacity to overcome the lack of a private sector network. This namely leads to a tangled web of conflicting interests that is difficult to get out of (eg government officials deciding over contracts for which they themselves have bid). Instead, it is better to pilot joint public-private initiatives, such as a contracting out to the private sector and the development of trusts.

To reduce the social cost of public sector reform, the process can be linked to one of private sector strengthening. Public sector staff that have become redundant, can be helped to capitalize on their experience by government tendered contracts. These contracts can then provide them (and other aspiring entrepreneurs) with a basic ('threshold') income from where

they can expand their private sector activities⁶⁵. This route is preferable to the provision of loans to public sector staff in the hope that they will be able to 'fly the nest' one day. Loan recovery problems are rife and the lack of possibilities for selection promotes abuse. Supporting fledgling entrepreneurs through contracts is performance-related and thus introduces a selection mechanism that works on merit, rather than on position and years in service (which tend to be criteria for public sector loans).

Table 3 Adapting Organisational Development to local circumstances

'Northern value' Organisational Development	Organisational Development in sub-Saharan Africa
Relies on external OD consultants	Needs internal facilitation by an advisor conversant with the local organisational culture
Staff emancipated and articulate	Staff socialised in dependency and cultures of hierarchy
Staff have sound disciplinary competencies	Staff often lack disciplinary or functional competencies
Performance management systems Based on material incentives	Predominant absence of material incentives for performance improvement
Satisfactory managers who need to become better leaders or facilitators	Administrators who need to become managers first, before becoming leaders and facilitators
OD mainly practised in competitive private sectors in liberalised economies	OD mainly applied to post-colonial government bureaucracies based on strong control cultures

Source: Connolly and Hagmann (2000) Community and institutional transformation for renewal in state agricultural services' provision in Zimbabwe: lessons and insights from the nineties.

The need for institutional reform and strengthening of *non*-public organisations tends to be overlooked. However, at the same time, much is expected of such organisations in a sector reform context. For example (i) to engage in a constructive dialogue with the government during programme planning phases (ii) to take over tasks released by the public sector and (iii) to provide assistance to ('their') stakeholders to adjust to new sector policy. This is a gap that needs to be bridged for any approach to be truly sector-wide in scope.

Tentative guidelines 'Institutional reform'	
External facilitation needed but as a complement to internal facilitation	Government is and should remain the main facilitator of institutional reform but should be assisted by external facilitators
External facilitation tailored to local requirements	Facilitation should take account of the ruling organisational culture of the institution
Transition phases to adhere to division of roles between public and private sectors	Based on the sector policy, public and private sector roles should be defined and adhered to when identifying transitional stages between government subsidised and private service provision
Link public sector reform to private sector strengthening through productive options for excess staff	Such as a contracting out of government's non-core functions and loan programmes based on merit

⁶⁵ This strategy is practised in the veterinary sectors of Kenya, Tanzania and Zambia under the term 'sanitary mandates'. Private vets receive a package of government contracts, esp. for vaccination campaigns, and provide their own services in addition to that.

Tentative guidelines 'Institutional reform'

Need for institutional reform and strengthening of non public sector organisations

For example, farmers' unions, relevant NGOs and CBOs in order to (i) engage in constructive dialogue on programme design (ii) help create widespread awareness (iii) take on government tasks

4.5 Legislation

When sector wide approaches foresee a change in roles of public and private sectors, this often necessitates an amendment of existing legislation. The lack of appropriate legislation is often mentioned as a stumbling block to private sector strengthening. Concrete examples of inadequate legislation are rather difficult to obtain, however, possibly because one has to go quite a long way down the path of implementation before it becomes apparent exactly which parts of the legislation need changing. Some current examples are: In Uganda, phytosanitary procedures are expanded in support of the provision of seed, plant and stock material through private entrepreneurs and certain laws are amended to allow farmer groups at sub-county level engage in contracts with private agricultural service providers⁶⁶. Mozambique is about to adopt a new pharmaceutical law that enables the private importation and sale of drugs by pharmacists and rural retail shops. Another amendment relates to the official authorisation of community representatives as co-managers of rural health units⁶⁷. In Zambia new veterinary acts were drafted, to allow the private sale of veterinary drugs and the carrying out of certain disease control practices by community representatives⁶⁸.

Delays in legislative changes may hinder programme progress. However, experience shows that even where adequate legislation is not in place, much of the required reform can go ahead either under existing legislation (covered by 'eventuality clauses') or by using alternative accepted instruments to cover a temporary gap (eg Memoranda of Agreement, Statement of Intent, Agreed Code of Practice)⁶⁹. Experience in the health sector has shown that initiatives can be taken, even when enabling conditions are not apparent. If pressure is maintained over a sufficient period, joint working can, of itself, induce the emergence of a favourable environment⁷⁰. Nevertheless, those who want to stop change can use restrictions in legislation, especially in resisting the move towards privatisation, whereas enabling legislation can empower stakeholders to take on their roles, so it remains an important issue.

Enabling legislation in support of private service providers is often perceived as a threat by civil servants, in the way of the official seal of approval to a handing over of tasks, a signing away of responsibilities. However, it should be realised that much private service provision is already on-going in response to the government's decline in both quantity and quality of services. Appropriate legislation should be seen as empowering the government to monitor and regulate these private services, in order to meet its responsibility to ensure safety of services to clients. Especially in the area of medical drugs, appropriate legislation allows the government to ensure that drugs on sale are safe, of good quality, effective and in accordance with therapeutic requirements. In addition, legislation and subsequent visibility of the private market can help government capture revenues on imports and sales (which are escaped by an underground market) and can limit (if not remove) the illegal levelling of fees within public (health) systems⁷¹.

⁶⁶ pers. comm. Peter Ngategize, Uganda

⁶⁷ pers. comm. Iolanda Wane, Mozambique

⁶⁸ These acts were submitted to Cabinet in 1996 but are still awaiting endorsement

⁶⁹ pers comm: Nick Clinch, Zambia

⁷⁰ Walt *et al.* (1999)

⁷¹ pers comm: Iolanda Wane, Mozambique

Tentative guidelines 'Legislation'

Amend legislation to reflect changed roles between public and private sectors	In order to create an enabling environment for stakeholders to take their place in the development of a sector
Use alternative legally recognised instruments during a transition phase	eg Memorandum of Agreement, Statement of Intent, Agreed Code of Practice
Emphasise the importance of appropriate legislation as an instrument of regulation and monitoring	In order to reduce public sector opposition to legislation which enables a handing over of government tasks to the private sector

4.6 Financial management and accountability

Across countries there is mention of the difficulties to get the 'basket concept' accepted by donors. Often cited constraints are the loss of control, the reduced visibility of assistance and a lack of confidence in government financial management structures. At an early stage, the common basket, into which all sector support is deposited, may still be advocated as a pre-requisite. Donors may 'label' their contribution (in support of a particular area or activity), but it would be disbursed through government financial management channels. During later stages, the basket concept tends to be diluted and more pragmatic solutions are sought to overcome a lack of donor confidence and to avoid jeopardising implementation. Intermediate arrangements include:

- *Finance at implementation level:* information regarding donor contributions is presented to national level, but the actual funds are directly submitted at district level, bypassing the national-to-district leg of the government's financial management system; and,
- *Buying into the sector's work-programme:* detailed work programmes are presented to a series of donors who then select the activities they are interested to fund. In this way, donor contribution remains visible, yet becomes part of the 'virtual' basket of sector programme funds.
- *Dissociating financial from technical assistance:* local long-term Technical Assistance continues to be funded by the donor, but does not have an operational budget of their own. Instead, donors support components of the sector programme separately and complement this contribution with the provision of Technical Assistance in support of these components. The role of the latter would then be an advisory one, to the government as well as to other relevant stakeholders.

Another issue at national level concerns the scope of a sector wide approach. There seems to be a subtle but somewhat ambiguous difference between interpretations of sector wide approaches as:

- *Public Expenditure Programmes* concerning public funds, which however can be used in support of non-public sector actors (eg through contracting out or a strengthening of stakeholder platforms); and
- *Public Sector Programmes:* limited to the action-radius of the public sector, ie the activities of the implementing ministry (or ministries).

In principle, a sector wide approach acknowledges the role played by other actors outside the government. So, when a work-programme and budget are limited to public sector

activities only, some allowances should be made for complementary support beyond the public sector but adhering to the nationwide sector policy. Some sector wide strategies are designed as truly sector wide in scope and include components related to private sector strengthening. Unfortunately, though, it proves to be difficult to get resources from within a government controlled budget be allocated to the strengthening of non-public sector stakeholders. This points at a need to assess options for the creation of a non-public sector (programme) fund from which relevant actors within the sector (programme) but outside the government can be supported.

Where responsibilities for financial management have been decentralised, this has met with so many hurdles that it is often pronounced impossible. It is true that there is an enormous capacity constraint in financial management and that the scarcity of qualified and experienced people will always fall short of the sudden and large demand for such skills as an immediate consequence of the decentralisation effort. However, a capacity constraint has also been created by unrealistic demands: Donors' demand that funds should be traceable all the way to the field requires complicated accounting systems. These systems become near impossible to manage when funds are scattered widely and a single programme component ends up being funded by a whole string of donors at the same time. If donors are not able, or willing, to compromise on the condition to trace funds, then some coordination of programme funding is needed, eg donors concentrating their funds on a specific component or region, resisting the temptation to have a finger in every pie. In addition, a situation should be avoided in which concurrently implemented programmes in different sectors each set up their own financial management unit, thus multiplying the need for qualified personnel at decentralised levels beyond what is feasible.

An important step forward is the decentralised, workplan-based budget introduced under most sector wide approaches. In many cases, it has been an eye-opener to field staff to have to think of the actual cost of the various services provided. Even more importantly, where stakeholder platforms function and are actually involved in formulating workplans and budgets, the realisation of the cost of services and the limitation of available resources helps communities to think of priorities rather than wish-lists and contributes to reducing the dependency syndrome. Therefore, it is important that *realistic* budgets, presenting priorities within given limitations, are honoured with resources to implement them. One way of getting there is to present decentralised levels with reliable budget ceilings: This would require a division of the programme budget into a vertical and a horizontal budget representing the available funds for government core responsibilities and stakeholder priorities respectively (see 4.2.2). The horizontal budget is then divided regionally and presents stakeholders with a clearer view of financial ceilings. A pooling of horizontal funds across the different sectors into a regional fund could make it easier to avoid overlap as well as to address crosscutting concerns by complementary funding from different sector budgets.

Tentative guidelines 'Financial management and accountability'	
Utilise intermediate arrangements between 'project' and 'basket' funding	Such as (i) funding at implementation level (ii) buying into the sector's workprogramme and (iii) dissociating financial from technical assistance
Assess options for non-public sector managed programme funding	To cater for the need to support also relevant stakeholders outside the public sector based on an acknowledgement of the resistance of the public sector to commit funds to this need
Adopt realistic expectations of decentralised financial management and accountability	Taking account of the general shortage of qualified and experienced people at district levels

Tentative guidelines 'Financial management and accountability'

Coordinate programme funding by donors to create more manageable accounting systems	<i>Eg</i> by concentrating support of individual donors on specific programme components or geographical areas rather than have multiple donors fund the same components in the same areas
Opt for a pooling of financial management need and capacity across sectors	Establish fewer but stronger financial management units at decentralised levels rather than have every sector set up their own
Divide programme budget into a vertical and a horizontal fund	with funds for government's core responsibilities and local stakeholder priorities respectively
Present decentralised levels with realistic and reliable financial ceilings	To avoid unrealistic expectations and 'wish-lists'
Support realistic workplan-based budgets	Consultative plans, addressing local priorities and acknowledging financial limitations, should be allocated resources for implementation
Assess options for a pooling of sector based horizontal funds into a regional development fund	To avoid overlap and duplication and to exploit possibilities of complementary funding in tackling cross-cutting constraints

4.7 Gender

The role of women and their importance as clients of services provided is more easily recognised in health and education programmes with components as 'education of the girl-child' and 'mother and child health care'. The translation of gender issues into practical activities presents more difficulties in agricultural programmes. National gender policies were developed in a number of countries, and are (or need to be) integrated in the various sector strategies, which again seems to present some problems in the agricultural sector.

Gender being high on the donor agenda has resulted in the proliferation of gender-oriented or specialist NGOs. These may be able to play a role in the translation of gender-sensitive objectives into agricultural strategies. However they are not the most likely candidates to sit in on agriculturally oriented stakeholder panels, which may represent a lost opportunity. Especially since these NGOs could help create awareness about the consequences of agricultural reform among their target group as well as help agricultural stakeholder platforms at decentralised levels such that the selection of local development priorities or the appraisal of potential community projects takes gender concerns into account.

The monitoring of sector programme performance using gender-segregated data is often advised and sometimes implemented. However, to what extent these data are analysed or their results are used to inform sector policy is not clear, especially where it concerns the agricultural sector. It would help when (some of the) impact-monitoring responsibilities were decentralised as well. In this way stakeholder platforms themselves can, over time, assess whether identified priorities and implemented activities have had the desired effect.

These stakeholder platforms may also prove better entry points for gender segregated monitoring, especially when care is taken that criteria for the (s)election of their members are not biased against women.

Tentative guidelines 'Gender'

Link existing national gender policy to sector programmes

Provided that a national gender policy exists and with special emphasis to its integration into the agricultural sector programme

Translate a gender commitment into practical rather than abstract objectives

Avoid abstract references to gender sensitive intentions: rather attempt to translate these into activities as low to the field level as possible

Involve gender oriented NGOs

(i) To help translate objectives into action (ii) to create awareness on impending reform measures among their target group and (iii) to support gender-sensitive practices among sector specific stakeholder fora at all levels

Ensure that (s)election procedures and membership composition of stakeholder platforms are not gender-biased

Avoid (s)election criteria that implicitly favour men, eg the need to be chief, village headman or chairman of a farmers' group.

Use gender sensitive programme monitoring instruments

Avoid a widespread collection of gender-segregated data that are never analysed. Collection of data should be based on what can realistically be analysed and the use of findings should be assured

Support data collection and analysis systems at implementation levels

Develop capacity for a gender-sensitive analysis of programme impact close to the field level, eg among local stakeholder platforms

4.8 Equity

Most health programmes emphasise a move towards primary and preventive health care, whereby an essential (or basic) package of health services is to be provided nationwide and at no cost, giving these programmes a 'pro-poor' orientation. Services outside this package are to be secured, either on a cost-recovery basis from government (subsidised) institutions or through private service providers. To protect vulnerable people, most programmes carry exemptions either for the poor, certain age groups or certain treatments⁷². However, a fact is that many of the countries concerned experience such resource limitations (despite the funds allocated to a sector programme) as to make the universal delivery of essential services impossibility anyway⁷³.

The user fee policy does not seem to have been informed by a good understanding of the health seeking behaviour of the poor, their constraints to accessing health services and their willingness to pay for government services⁷⁴. A positive exception seems to be the Ugandan programme whose policy was based on an extensive and participative poverty analysis. Unclear rules, including the illegal increase or random use of criteria, make that especially for the poor the cost of fees is often difficult to predict⁷⁵. So far, monitoring of the use and effectiveness of exemptions has been poor.

A trend in countries with agricultural programmes in advanced implementation seems to be that availability and/or access to services decreased in remote areas, for non-commercial

⁷² Such as exemptions for under five or over 65 years old, reproductive health and the treatment of opportunistic diseases related to chronic illnesses (TB, STD, HIV/Aids).

⁷³ Lauckner and Schmidt-Ehry (2000)

⁷⁴ Foster, 1999. The report also points out that in Ghana and Tanzania *private* expenditure on drugs represents around 50% of national expenditure on health, with much of it probably not well spent.

⁷⁵ Lauckner and Schmidt-Ehry (2000)

services and among resource poor clients. However, a situation should be avoided in which the public sector re-claims non-core functions from the private sector following a negative programme impact on vulnerable groups⁷⁶ and thereby jeopardises private sector development gains. In order to prevent this from happening, it is proposed to introduce an area-sensitive core-function analysis, at the start of programme implementation. Rather than assessing a public sector's core functions on an activity-by-activity basis, an extra dimension can be added by introducing an area perspective. For certain groups of activities one can then define the required public-private sector mix of responsibilities along an axis from centre to periphery or for different regional categories such as non-isolated and isolated, high or low potential areas. For example, marketing tends to be considered a clear private sector responsibility and is classified as a non-core function in a public sector's core function analysis. However, in areas with sparse private sector networks, there may justifiably be a public sector role, as long as this supports private sector growth, eg through (contracting out) research on potential market crops⁷⁷ and the dissemination of market information⁷⁸.

Social sectors tend to have smaller privatisation components. However, being located in an isolated or non-isolated area does affect one's access to services and choice of service-providers. Acknowledging this could mean that health sector programmes place particular emphasis on training grassroots (traditional) health-care providers in isolated areas.

In low-potential areas, the use of government-tendered contracts can help the development of a private sector network while cushioning the effect of government service withdrawal among the resource poor. Providing government-contracts to aspiring entrepreneurs in the region can provide them with a basic ('threshold') income from where they can expand their private sector activities. Contracts to carry out livestock disease control operations, to develop educational material, to conduct extension campaigns or research assignments, may enable people to establish themselves in a private capacity in an area that would normally be regarded as non-commercially viable.

Sector wide approaches are not only about a withdrawal of government services. They also offer opportunities in the form of decentralised funding and the participation in planning and budgeting. However, expenditure tends to follow the location of facilities and people. This means that resource flow is more determined by where there are hospitals, schools and staff to man them already, than by where these are most needed⁷⁹. Available funds for community projects need informed and dedicated field staff to help grassroots level beneficiaries access them. These, in turn, often avoid a posting in isolated or low-potential areas, which leaves people in these areas doubly handicapped. Attractive labour incentives may be the only way to bridge this gap.

The formulation of Poverty Reduction Strategy Papers (PRSPs) is expected to effect sector policy in the near future. Although most of these PRSPs are still in early planning phases with little reference to actual activities foreseen, it is expected that their general thrust is integrated (and translated) into sector policy and strategy. This may help existing (and planned) sector wide approaches become more poverty-aware and 'pro-poor' provided that the following is taken into account:

- *The higher the level the more abstract the language:* Experience in sector programmes demonstrates that at higher levels the abstract policy language makes it more difficult to get stakeholders involved or reach a consensus. Fora at sub-programme level, consisting of representatives with knowledge or interest relevant to

⁷⁶ Often based on political, rather than (socio)economical motives

⁷⁷ It may be argued that where years of state supported nationwide (uniformly priced) staple-crop production has led to market distortions, governments have a responsibility to help farmers identify alternative market crops, eg low volume cash crops whose unit-value can justify transportation over long distances.

⁷⁸ Dietvorst (2001)

⁷⁹ Foster (Sep 1999)

the sub-programme, can stimulate concrete and result-oriented discussions, which would be diluted at national sector programme level. A Poverty Reduction Strategy is planned to operate on a 'supra-sector' level, overarching and informing the strategies of individual sectors within its scope. The difficulty of translating it into practically oriented recommendations that can be absorbed in sector strategies is likely to be considerable.

- *The development rather than welfare objective:* Sector wide approaches aim for a more coordinated development of a sector. Even when the ultimate beneficiaries of that goal are the people at grassroots levels, this can never be the only target group. The wide range of private, for-profit and not-for-profit, service providers, public sector field staff and community-based organisations are equally important in bringing the goal of accessible and affordable services nearer. Unless this middle-level is strengthened, ultimate beneficiaries will never be able to bridge the gap between themselves and the services and resources higher up and will continue to be dependent on hand-outs. Therefore, even if Poverty Reduction Strategies aim to re-orient the sector policy in a pro-poor direction, they should take care not to ask for too narrow a focus on the poor as the main target group.

Tentative guidelines 'Equity'	
Monitor effectiveness of exemption policies in health sectors	Based on an analysis of views of the poor on health needs, the services available to them and the constraints to their access
Add geographical dimension to a core-function analyses	To allow for different potential and need in isolated versus non-isolated areas. Especially, but not exclusively, for the agriculture sector
Develop joint initiatives with private / civil society, especially in isolated areas	Such as government contracts, dissemination of marketing information, and the training of community service providers
Provide labour incentives for staff in isolated areas	To enable people in these areas access the opportunities and resources that a sector wide approach offers
link to national Poverty Reduction Strategies	Integrate 'pro-poor' recommendations into sector strategies but as practical result-oriented activities rather than abstract intentions....
Avoid too narrow a target group	...at the same time, avoid a too narrow focus on the poor but acknowledge the importance public and private service providers in self-help approaches of the poor

5 Summary of tentative guidelines

Ownership

- Allow for flexible programme design
- Share the responsibility for widespread grassroots consultations
- Opt for a selective and staged consultation
- Consultation around tangible topics

Decentralisation

- Divide sector activities into 'negotiable' and 'non-negotiable' activities
- Divide the budget into a horizontal fund for negotiable and a vertical fund for non-negotiable activities
- Identify how best the horizontal fund can be divided regionally
- Clarify the role of stakeholder platforms
- Clarify the amount of resources available for locally identified priorities and activities
- Provide *appropriate* capacity training of stakeholder platforms
- Ensure the continuity of stakeholder platforms
- Support activity-based budgets
- Assess the scope of a 'pooled' district fund
- Assess the possibility of local government managing a district fund

Capacity building

- Clearly delineate the roles of public and private actors in sector development
- Use capacity building of public sector decision makers to foster broad-based acceptance of institutional reform
- Develop capacity building programmes for field staff to increase their understanding of sector reform and to enable them take on their new role
- Identify relevant stakeholders' organisations and their role in sector development
- Build capacity of these organisations at programme formulation stages
- Define realistic stakeholder platform roles taking existing capacity and available resources for capacity strengthening into account
- Tailor capacity training to realistic stakeholder roles
- Opt for re-current training in favour of a one-off exercise
- Ensure that acquired skills can be put into practice

Institutional reform

- External facilitation needed but as a complement to internal facilitation
- External facilitation tailored to local requirements
- Transition phases to adhere to division of roles between public and private sectors
- Link public sector reform to private sector strengthening through productive options for excess staff

- Need for institutional reform and strengthening of non public sector organisations

Legislation

- Amend legislation to reflect changed roles between public and private sectors
- Use alternative legally recognised instruments during a transition phase
- Emphasise the importance of appropriate legislation as an instrument of regulation and monitoring

Financial management and accountability

- Utilise intermediate arrangements between 'project' and 'basket' funding
- Assess options for non-public sector managed programme funding
- Adopt realistic expectations of decentralised financial management and accountability systems
- Coordinate donor programme funding to create manageable accounting systems
- Opt for a pooling of financial management need and capacity across sectors
- Divide programme budget into a vertical and a horizontal fund
- Present decentralised levels with realistic and reliable financial ceilings
- Support realistic workplan-based budgets
- Assess options for a pooling of sector based horizontal funds into a regional development fund

Gender

- Link existing national gender policy to sector programmes
- Translate a gender commitment into practical rather than abstract objectives
- Involve gender oriented NGOs
- Ensure that (s)election procedures of stakeholder platforms are not gender-biased
- Use gender sensitive programme monitoring instruments
- Support data collection and analysis systems at implementation levels

Equity

- Monitor effectiveness of exemption policies in health sectors
- Add geographical dimension to a core-function analyses
- Develop joint initiatives with private / civil society, especially in isolated areas
- Provide labour incentives for staff in isolated areas
- Establish link to national Poverty Reduction Strategies
- Avoid too narrow a target group

Annex 1 Sector programmes in Sub-Saharan Africa

Benin

1. Transport Sector
2. Population and Health

Cameroon

3. Transport Sector

Côte D'ivoire

4. Integrated Health Services Development Project

Ethiopia

5. Health Sector
6. Second Roads Sec. Development
7. Education Sect. Investment

Ghana

8. Health Sector Support
9. Highway Sector Inv.Prog
10. National Functional Literacy Prog
11. Basic Education
12. Agricultural Sector Investment Project

Guinea - Bissau

13. Nat.Health Dev.Progr

Kenya

14. Energy Sector Reform
15. Agricultural Sector Investment Programme
16. NARP II

Lesotho

17. Road Rehab. & Maint
18. Health System Support

Madagascar

19. Energy Sector Development Project

Malawi

20. National Water Development Project

Mali

21. Health Sector Development Program

Mauritania

22. Health Sector Investment Project

Mozambique

23. Second Health Project
24. National Water Development I Project
25. Education Sector Strategic Program Project (ESSP)
26. Agricultural Sector Expenditure Program (PROAGRI)

Niger

27. Health Sector Development Program Project

Senegal

28. Health Sector Development Program Project
29. Long-Term Water Sector Project (LTWSP)
30. Second Transport Sector Project

Sierra Leone

31. Integrated Health Sector Investment Project
32. Transport Sector Project

Tanzania

33. Second Integrated Roads Project

The Gambia

34. Third Education Sector Program

Uganda

35. Road Development Program, Phase 1 Project

Zambia

36. Health Sector Support Project
37. Agricultural Sector Investment Program (ASIP)
38. Road Sector Investment Program Project
39. Power Rehabilitation Project
40. Basic Education Sub-Sector Investment Program (BESSIP)

Annex 2 Regional dialogue on sector reform

A closer look at the scope and contents of these events themselves also reveals interesting insights into the evolution of an ambitious, high profile and internationally targeted development concept such as sector wide reform. A review of proceedings highlights some broad patterns, discussed below⁸⁰.

From donors at the wheel to implementers taking over

Initial meetings were donor dominated. Much of the discussion revolved around definitions of sector programmes and pre-conditions. Country representatives were wary of too rigid pre-conditions and asked for more flexibility in programme design while donors asked for more ownership from recipients. Gradually, as more programmes entered implementation phases, issues with which implementers are struggling began to determine the agenda and national resource people took centre stage.

From an agricultural focus to a focus on cross-sector operational challenges

The first two workshops dealt with agriculture only and most of the discussions dealt with programme-design. However, with progressing implementation more practical questions began to be asked, eg related to institutional reform and the decentralisation of services. Because these issues are not exclusive to agriculture, the discussion became relevant to representatives from other sectors also.

Local, home-grown versions of sector reform develop

Some countries, such as Zambia, made institutional reform part of their agricultural programmes. Others, such as Zimbabwe, created a different programme for institutional reform to be implemented as a pre-sector programme phase. Zambia and Kenya adopted strong privatisation components, while Mozambique focussed on reorganising functions within departments and levels of its line ministry.

Ownership by the recipient grows

For better or for worse, these home-grown adaptations did lead to a greater sense of ownership by recipient countries. Although many of them may have started out with a World Bank blue-print, differing local circumstances forced them to dilute the original concept in an effort to adapt it to the realities in the field. Innovation and experimentation by implementers: has led to a wide range of 'intermediate options', 'temporary solutions', 'transit phases' to critical questions such as funding arrangements and privatisation.

Multi-lateral donors lose confidence and interest

The implementation phase has (invariably) turned out to be messier than the planning phase intended it to be. This has meant that, ironically, multi-lateral donors such as the World Bank and the European Union lost confidence in the sector approach just as their main requirement, more ownership by recipients, is being fulfilled. Programme-*design* is clearly a safer, more hopeful phase than is *implementation*. In recent years, several bilateral donors reactivated the debate, which makes that the issue, after losing some of its glamour, has picked up on international interest.

Regional dialogue versus international discussions

These international donor-led discussions are rather policy oriented tackling issues as donor coordination and funding arrangements. When stakeholder participation is discussed this is often limited to participation programme design (and evaluation). There is a rather limited understanding of practical implementation constraints and still less ideas on solutions to these. In contrast, the regional dialogue has generated awareness, across countries and sectors on these implementation problems. Though some potentially promising remedies have been presented, much still needs to be done.

The introduction of a poverty focus

In the meantime, the topic of poverty reduction (linked to debt relief initiatives) has moved to the top of the aid-agenda and is pushed most forcefully by the World Bank and the European Union. Taking note of the vocabulary and many of the concepts used in the current planning stage is, in many ways, like re-visiting the planning wave of sector programmes. Although some reference is made to the intended effect of Poverty Reduction Strategies on sector programmes (as a sort of overarching 'supra-sector programme'), little reference is made to the potential use of sector programme experience in the poverty context.

⁸⁰ Based on Engel and Okidegbe (1997); Sellen (1997); Dietvorst, Engel and Okidegbe (1998); Bialluch, Dietvorst and Engel (1999) and Benson-von der Ohe, von der Ohe and Dietvorst (2000)

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