

**OPERATIONALISING THE
COMPREHENSIVE DEVELOPMENT FRAMEWORK:
EVIDENCE FROM CONTEMPORARY RESEARCH**



**A briefing document prepared for the
World Bank
by**

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This paper summarises and synthesises the emerging evidence regarding four aspects of contemporary thought on aid and development, drawn together by staff of the Overseas Development Institute. These are selected for their relevance to the Comprehensive Development Framework approach currently being implemented by the World Bank, and intended as a contribution to the 1999 Annual Review of Development Effectiveness Approach Paper.

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Simon Maxwell and Tim Conway – Summary, Introduction, Chapters Two and Three, and Conclusion.

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The views expressed in the report remain those of the authors.

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GLOSSARY OF ACRONYMS

ACP	Africa, Caribbean and Pacific
ARDE	Annual Review of Development Effectiveness
CDF	Comprehensive Development Framework
CG	Consultative Group
CWIQ	Core Welfare Indicator Questionnaire
DAC	Development Assistance Committee (OECD)
DFID	Department for International Development (UK)
EC	European Community
ESAF	Enhanced structural Adjustment Facility
ESDP	Education Sector Development Programme (Ethiopia)
EU	European Union
HIPC	Highly Indebted Poor Countries
HPSP	Health and Population Sector Programme (Bangladesh)
IMF	International Monetary Fund
IRD	Integrated Rural Development
IRDP	Integrated Rural Development Programme
ISP	Inter-Sectoral Partnerships (esp. USAID)
MTEF	Medium Term Expenditure Framework
NGO	Non-Governmental Organisation
NIP	National Indicative Programme (Lomé)
NPI	New Partnerships Initiative (USAID)
ODA	Official Development Assistance
ODI	Overseas Development Institute
OED	Operations Evaluation Department
PPA	Participatory Poverty Assessment
RBDFPM	River Basin Development Planning and Management
SAP	Structural Adjustment Programme
SIDA	Swedish International Development Agency
SWAP	Sector-Wide Approach
TA	Technical Assistance
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WSC	World Summit for Children

EXECUTIVE SUMMARY

S1 This paper is a contribution to work carried out by the Operations Evaluation Department (OED) of the World Bank on the Comprehensive Development Framework (CDF). OED's objective is to facilitate operationalisation of the CDF, by drawing out lessons from past experience. This paper contributes to that objective by examining the evidence from recent research in three areas. These are: (a) partnership; (b) multi-sectoral and target-based planning; and (c) sector-wide approaches to budget support.

Partnership

S2 The first part of the paper looks specifically at the idea of “partnership”, one of the four pillars of the CDF. The paper shows that this is a long-standing and much-debated theme, including within the Bank itself. It is central to the DAC *21st Century Strategy*, which underpins the DAC's *Working Checklist* on development partnership. Many donors already have substantial experience of development partnerships, and the paper reviews a selection of these: the EU (through the Lomé Convention), Sweden, the UK, USAID, and a number of NGOs. The paper also finds evidence in other fields, for example in business and law, and in the literature on participation.

S3 The paper shows that partnership is far from straightforward. There are issues about the terms on which partnership is undertaken, about the scope of partnership, and about the mechanisms which underpin it. At one extreme, partnership can look very much like conditionality, with power held by the donor, the agenda set by the donor, and accountability running one way, from the recipient to the donor. At the other extreme, there can be genuine dialogue and decision-making, based on trust, covering a wide agenda, and backed up by reciprocal accountability, often based on a form of contract.

S4 The paper reports that the Bank itself has been challenged on partnership, in its own consultations, on five key issues: (a) the need for partners, including the Bank, to accept country-led development strategies, perhaps even when they do not agree; (b) the need for a broad dialogue, including aid, but also debt relief and trade policies; (c) more open information, including information for the benefit of civil society; (d) recognition of the diversity and pluralism of civil society (challenging the idea of a national consensus); and (e) greater cohesiveness between the Bretton Woods Institutions and other donors.

S5 Other partnership initiatives have faced similar problems. The paper identifies a number of common themes, including the need for a genuine commitment to sharing, the importance of trust, the need for a long time perspective, and the need to be pragmatic in applying partnership blue-prints. It identifies three action points for the Bank:

- First, to be explicit about the kind of partnership it is seeking, on a scale which ranges, by analogy with participation, from “manipulative

- partnership” to “interactive partnership”;
- Secondly, to treat partnership as an organic process, in which trust is built over time, and in which steps are taken to “weave a fabric of sustainability”; and
- Thirdly, to consider how mutual accountability may be built, perhaps in the form of a contractual arrangement.

S6 The paper recommends that the Bank pursue its own idea of developing a partnership code of conduct.

Multi-sectoral planning

S7 The second part of the paper addresses the question of multi-sectoral planning (taking up the pillars of the CDF which call for a long-term, holistic approach) and, to a lesser extent, a focus on results. It points out that “we have been here before” – and with notably unsuccessful results. There are new planning models available, however, which may help planners to avoid the pitfalls of the past.

S8 The paper reviews previous experience of multi-sectoral, holistic planning: integrated rural development, river basin planning, multi-sectoral nutrition planning, national food security planning, poverty planning, and post-Fordist industrial planning. It identifies many common problems, some of which resonate with the CDF: overly ambitious goals, too much emphasis on data collection at the expense of implementation, the imposition of new administrative structures, political naivety about the scope for genuine consensus, poor quality dialogue between donors and recipients, and a lack of linkage between planning and implementation.

S9 There are ways forward, however, which can inform the CDF. In general terms, the current conventional wisdom emphasises process planning over blue-print planning, and recommends forms of organisation which replace traditional, role-based hierarchies with new, more flexible, task-based approaches. There are specific recommendations which can be applied to the CDF: for example, starting small, building in a bias to action, avoiding complex new bureaucracies, and training staff in multi-disciplinary work.

S10 A feature of the new approaches to planning is to set clear, short-term goals, often described as SMART goals (stretching, measurable, agreed, recorded, and time-limited). The paper reports briefly on the debate surrounding the international development targets, with a view to using these in the CDF. At one level, targets are very attractive: they raise awareness, facilitate fund-raising, and provide a structure for monitoring. On the other hand, they can over-simplify complex problems, distort policy, and divert attention into measurement at the expense of action. A degree of common-sense is required, to use targets with moderation, and with a good appreciation of local realities.

Budget-focussed development co-operation

S11 The themes of the first two chapters are brought together in the third. This

examines new approaches to development co-operation which focus upon donor-government partnership in the budget process. The budget is a crucial instrument for operationalising CDF objectives at the country level. How can the principles of partnership be brought to bear in this area? How can a new form of conditionality work in practice? This section of the paper “focuses on the key CDF concerns of achieving a holistic approach, owned by Government, supported in a spirit of partnership, with a strong emphasis on achieving results”.

S12 In the past, the paper argues, co-operation instruments such as the Policy Framework Paper tended to be standardised documents, largely reflecting the concerns of the Bretton Woods Institutions. The paper illustrates a new approach, using examples of recent policy innovations in Ghana, Uganda and Rwanda (amongst others). In all cases, to somewhat varying degrees, an overall development vision has been translated into a Medium Term Expenditure Framework (MTEF), tied to specific performance targets, and with authority and responsibility cascading down through the civil service. There has been a strong focus on poverty reduction.

S13 The MTEF approach, supported by sector-wide programmes, offers scope for government ownership, but only if this is supported by donors. Donors should therefore:

- Support the Ministry of Finance in its efforts to secure a single framework;
- Exercise restraint, avoiding whenever possible the temptation to work independently with line ministries (which may try to circumvent the budget process);
- Adopt sector-wide approaches, based on plans prepared by government officials;
- Encourage participation and a broad base of ownership. Decentralisation and delegation within ministries may play an important role in achieving this: donors should allow enough time for these processes to occur and to generate results;
- Allow time for trust and respect to be built on both sides;
- Be flexible in the implementation of sectoral programmes (a recommendation in keeping with the advocacy of process planning); and
- Invest in capacity-building.

S14 On this basis, the sector-wide approach offers an attractive instrument for partial implementation of the CDF. Can similar principles be applied to other aspects of development policy, like the regulatory framework?

S15 We return in the conclusion to the question of whether the sector-wide approach on its own is enough, and to a summary of “dos and don’ts” in the implementation of the CDF. We also identify some items of unfinished business. These include the need to think more about the approach to partnership in “difficult” situations; the need for a written statement of partnership principles; the need to ensure that non-aid aspects of partnership (e.g. trade and debt) receive sufficient attention within the CDF; and, finally, the need to acknowledge that there are aspects of development co-operation

which are not amenable to the structured approach of MTEF and SWAP tools, which nonetheless require systematic thought in order to define basic partnership principles and guides to good practice.

INTRODUCTION

- 1 The Comprehensive Development Framework represents the attempt, currently led by the World Bank, to devise a new and better structure for the integration of development policy and development co-operation. The Bank must now seek to translate selected concepts of the CDF into a programme of phased implementation and devise process and initial output indicators in order to monitor progress. This paper, commissioned by the Operations Evaluation Department (OED), is written as an input to this process of operationalisation.
- 2 For the purposes of this paper we are taking as the “text” for the CDF James Wolfensohn’s paper of January 1999. This proposes a new approach to development co-operation, one which is designed to:
 - Situate donor and partner efforts within a long-term, holistic and strategic framework;
 - Balance macro-economic imperatives against human development, cultural integrity and sustainability; and
 - In so doing, integrate efforts by different donors.
- 3 There are said to be four pillars of this effort: a long-term, holistic approach; ownership; partnership; and orientation to results. The innovation lies in tying these so tightly together. However, none of them on its own is new. There is also considerable overlap between the CDF and other contemporary donor efforts to reformulate aid, notably the UN’s Development Assistance Framework (UNDAF).
- 4 This observation – that there is experience elsewhere from which those implementing the CDF can learn - provides the rationale for this paper. Written by researchers from the Overseas Development Institute, this paper contributes to the OED’s task by reviewing experiences to date in three, related themes of key importance to the CDF. These themes are: development partnerships and strategic selectivity; integrated and performance-oriented planning; and the shift from stand-alone project aid to budget-focussed development assistance within a long-term and holistic national frame.
- 5 In each of the three areas, the paper identifies the main ideas of the CDF proposal, tests them against the findings of recent research, and draws appropriate conclusions. There is no suggestion that the three topics chosen exhaust the range of ideas covered in the CDF proposal. The premise of the paper is, however, that, in these three areas at least, those implementing the CDF can learn from past experience. If this proves to be correct, then it is likely that there are other aspects of the CDF which can also benefit from a review of lessons learned .

CHAPTER ONE: PARTNERSHIP AND STRATEGIC SELECTIVITY

Introduction

- 6 James Wolfensohn's proposal for a Comprehensive Development Framework lays great emphasis on "partnership", and suggests what this term might mean (Box 1.1). The key words are ownership, co-ordination, transparency and accountability. The first applies to countries and their governments, the others apply equally to the other parties in the development partnership, *viz.* donors, NGOs and the private sector. There is no blue-print, however. Wolfensohn's paper recognises that the pace and degree of public debate and participation will vary by country and by stage of political development.

Box 1.1: Partnership in the Comprehensive Development Framework

"It is clear to all of us that ownership is essential. Countries must be in the driver's seat and set the course. They must determine goals and the phasing, timing and sequencing of programmes. Where there is not adequate capacity in the government to do this, we must support and help them establish, own and implement the strategy. And we must work to achieve the strategy with our colleagues in the government, in the international development community, the civil society, and the private sector. In some countries, the long and short term goals will be set by a process of public debate and consensus building led by the government with all sections of society. In other countries, the establishment of goals will continue to be set more centrally." (Wolfensohn 1999 pp. 9-10)

"There is no way that the World Bank should be seen as assuming the role of co-ordinator of all programmes in the matrix . . . the foremost objective of the matrix is to give all the players a framework with can ensure openness, a basis of co-ordination of effort . . . a step towards inclusion, transparency and accountability . . . the pace will vary by country and by stage of political development." (ibid pp. 23-24)

- 7 The question to address is how far contemporary research can illuminate and extend this model, and identify implementation issues. There is a substantial body of work available on partnership, including initiatives by the Bank itself (see bibliography).
- 8 In May 1998, the Partnerships Group at the Bank published a Discussion Paper on *Partnership for Development: Proposed Actions for the World Bank*¹. This provided an operational definition of partnership, set out the requirements for successful partnership, and laid out a strategy, short-term actions for the Bank, and a proposal for a partnership code of practice. The Executive Summary of the paper is reproduced in Annex 2.1: not surprisingly, the ideas it presents are broadly consistent with the later Wolfensohn paper.
- 9 The Discussion Paper was discussed during the summer of 1998 at a series of roundtables and other consultations around the world, and a summary of points made was presented to the Board in September 1998². The summary was able to report that there was "overwhelming support" for a partnership

¹ World Bank 1998a.

² World Bank 1998b.

approach. However, it also identified five key problem areas (Box 1.2).

Box 1.2: Implementation issues in the Bank's partnership approach

1. The need for partners, including the Bank, to accept country-led development strategies, perhaps even when they did not fully agree;
2. A broader dialogue, including aid, but also debt relief, market access and trade policies, linked to the idea of a 'fair deal';
3. More open information, especially for civil society;
4. Greater involvement, but also recognition of the diversity and pluralism of civil society;
5. Greater cohesiveness in delivering development assistance, particularly between the Bretton Woods Institutions and other donors. (World Bank 1998b)

10 Subsumed within this list are some key challenges to the implementation of partnership. For example, will donors really allow partner countries to pursue strategies with which they do not agree? Will donors be held accountable for their actions to the same degree they expect from recipient countries? Is a "national consensus" either a realistic option or a necessary condition for change? And are the institutional structures in place to guarantee a coherent and democratically accountable international response across aid, trade, and international finance?

11 The concept of partnership must be dealt with in tandem with the concept of donor selectivity. Selectivity is used in different ways depending upon actor and context. At the country level, selectivity (or positive conditionality) is presented as an alternative to conventional conditionality. According to this principle, donors are advised to reward governments which have already demonstrated commitment to implementing positive reforms (i.e. adopt performance-based aid), rather than demand promises of change before funds are disbursed. In terms of a donors' global operations, then, selectivity implies a bounded application of the partnership principle: recipients must first qualify for partnership by meeting a certain minimum level of performance³. It is not immediately clear how the concepts of partnership and selectivity can be reconciled without compromise to one or the other⁴.

12 For bilateral donors, with whom the Bank must work in the evolution of the CDF, selectivity in global operations is often interpreted in a different way. Whereas the Bank approaches selectivity in terms of what countries *not* to work with (because of an uncondusive policy environment), bilaterals tend to conceptualise it in terms of what countries *to* work with. With smaller budgets

³ Or a two-tier approach to partnership, in which those governments adopting good policy receive advice *and* financial assistance, while those without good policy receive advice alone, in the hope that this will help move them towards a better policy environment: Dollar and Pritchett 1998.

⁴ The Country Policy and Institutional Assessment (CPIA) exercises and implementation performance ratings, which guide Bank decisions on lending and the formulation of the Country Assistance Strategy, provide specific examples of the potential conflict between the Bank's goals of partnership on the one hand and that of strategic selectivity on the other. To date the scores obtained for individual countries have been kept confidential: that is, they are "owned" only by the Bank, with the partner left to guess at the breakdown of performance ratings from the resulting allocation of Bank funds. This situation seems at odds with the CDF's commitment to partnership, transparency and national ownership. The Bank's defence is that these ratings, if in the public domain, might prejudice other donors against lending to the partner country: see World Bank 1999.

and (arguably) less universalistic obligations, bilaterals have potentially much to gain from concentrating operations upon a smaller number of sectors and a smaller number of partners (often described as “concentration” or “priority” countries). Such selectivity helps bilaterals to achieve more with limited funds. Yet progress has been slow, reflecting the institutional inertia of country operations. Many bilaterals in practice still operate on a “watering can” basis, spreading aid thinly between a multitude of countries and achieving significant impact in few.

13 Selectivity also applies to sub-national decisions made with regard to development partnerships. The principle of strategic selectivity – choosing sectors, partner institutions, instruments etc. on the basis of an objective and long-term (i.e. strategic) analysis – can be conceptualised in several different ways.

- *Selectivity on the basis of need.* This would seem to be the most obvious basis for choosing between different forms of assistance. The difficulty is obviously in obtaining agreement around what is needed, and how urgently, and it is here that the definition of partnership and ownership are critical. Donors may disagree with the government, or with each other, about which problems, sectors, regions or groups are to be selected as priorities. Different elements within the partner government may disagree about the relative importance of different interventions and the suitable role for donors within these interventions. It is also possible to identify different long- and short-term strategies. Taking a long-term perspective, a donor might take the view that second-best programmes are a necessary price to pay for local ownership, on the grounds that local ownership establishes the conditions for capacity building and more effective actions in the future. This however runs counter to the ethic of professionalism (and accountability) rightfully stressed within donor management.
- *Selectivity on the basis of long-term comparative advantage of the donor institution.* Adopting this approach, activities or partners are selected on the basis of what the donor can do best, or can do better than any other donor operating in the country in question. This has intuitive appeal, but it is necessary to be cautious of agencies’ own claims of comparative advantage. In the case of the large, specialised agencies (UNICEF, WFP, etc.) the lines are relatively clear, although even here there is room for overlap in approach (e.g. UNICEF and WHO both have an interest in child health). Amongst bilateral donors, especially the smaller bilateral donors, claims of “comparative advantage” are harder to confirm in objective terms⁵.
- *Selectivity on the basis of the comparative advantage of partner institutions.* Performance-based lending is concerned primarily with the decision as to which countries to lend to, but also provides the basis for more nuanced aid allocation by disaggregating partner performance into

⁵ Sectoral concentration on grounds of strategic selectivity has in this context sometimes been used by bilateral donors to justify the perpetuation of tied aid (e.g. donor *x* is “good at” railway or hydroelectric development, carried out by companies based in the donor country).

different categories. It would seem sensible for donors to work with partner institutions with the will and capacity (analytical, financial, political and institutional) to make the most of this assistance. However, institutional capacity can be defined or measured in different ways, and different institutions may possess different comparative advantages (Box 1.3).

Box 1.3: Comparative advantage of partner institutions in Cambodia

In Cambodia, donors have often preferred to work with the Ministry for Rural Development rather than the Ministry of Agriculture. Comparative advantage here was perceived in terms of the MRD's openness to ideas, a greater level of commitment and willingness to work outside the capital, a more holistic conceptualisation of rural development problems and solutions, and (arguably) a less patronage-based internal organisation. But the MAFF had a larger budget, and, being aligned with the most powerful party in the post-election coalition, faced less obstacles in implementing decisions through provincial and sub-provincial administrations which were still overwhelmingly loyal to this party. In this case, the Ministry with ideas and pro-poor orientation and the Ministry with real power did not align.

- 14 It is important that strategic selectivity is understood in dynamic rather than static terms. There are significant gains from continuity, but donors must also be responsive to changes in the national situation, which may lead to (a) a change in objectively-defined needs and / or (b) a change in the constellation of potential partner institutions, with some improving and some declining in terms of "comparative advantage". It must also be recognised that strategic selectivity is a multi-player rather than just two-player game: failure to do so may result in sub-optimal aid effectiveness (Box 1.4).

Box 1.4: The 20:20 initiative and primary education

In some cases international commitments to global targets have led to distorted aid allocation at the national level. As part of the 20:20 compact, for example, many donors have pledged to allocate 20% of ODA to basic social services in any country in which the partner government committed a similar proportion. Were this a contract between the partner government and just one donor then this would be unambiguously useful. However, in some countries with low rates of economic growth, a long record of high social spending (often to good effect, as in Tanzania) and a high ratio of dependency upon aid, this contract may distort aid allocation. Some African governments, having met the criterion by spending more than 20% of the budget on the target sectors, have been deluged with donor funds for primary services (particularly primary education), when some might have been better directed to alternative activities (e.g. infrastructure or agricultural production). Here a global approach to selectivity (a decision that primary social services are key to reducing poverty) contradicts a country-level approach to selectivity.

- 15 Strategic selectivity may thus be taken as an argument for or against greater partner ownership of the national development process, depending upon the basis for selection. The Bank at present sees the gain of strategic selectivity as enhancing the coherence and impact of country programmes by concentrating efforts on a narrow rather than broad range of sectors. These sectors are to be chosen on the basis of three criteria, namely:
- The potential magnitude of impact;
 - The likelihood of country action;
 - The comparative advantage of the Bank relative to other donors operating in the country.

16 It is clear that in any given case there is a reasonable possibility that these criteria will pull in different directions. In a given country the action most likely to enlist government support and to result in impact may be one in which the Bank has no comparative advantage relative to other donors. Impact- and government-led selectivity may lead to the Bank contributing to a crowded field, straining existing partner capacities and the ability to achieve donor coherence (see Box 2.2 below). And selecting interventions on the basis that they are most likely to demonstrate significant impact may bias action away from the most important challenges, which are usually (and unsurprisingly) those where the obstacles to success are greatest (working in countries where the government lacks will or capacity, working with pockets of persistent poverty which do not respond to general processes of growth-led poverty reduction, and so on). While thinking strategically rather than reactively about where, how and with whom to work is clearly a positive step, it must be recognised that the concept of strategic selectivity *per se* does not provide a specific guide to improving development co-operation. There are many, potentially contradictory criteria upon which to base strategic selection.

Partnership in donor policy

17 The questions outlined above regarding what could be meant by partnership are not new, and there is some evidence to help answer them. This evidence comes from the experience of other aid donors, but also from other fields where “partnership” is part of the currency (e.g. in law). There are also useful ideas to be drawn upon in the wider debate about participation.

18 Before turning to these, it is worth noting that partnership is not a new idea in development. It can be traced back at least to the Pearson Commission report of 1969, *Partners in Development*, and was also a theme of the 1980 report of the Brandt Commission⁶. The Lomé Convention since 1975 has been based on the idea of partnership⁷. More recently, there has been much debate in the context of the DAC, and many donors have taken up the idea of partnership⁸.

19 The starting point for any current discussion of partnership ought to be the work of the DAC, which has placed the idea of development partnerships at the heart of its Cupertino development strategy for the 21st Century⁹, and has also produced a *Working Checklist* for development partnerships.

20 The *21st Century* document describes a “compact” for effective partnerships, and identifies the responsibilities of developing countries and external partners, as well as joint responsibilities. The nineteen points of the Compact are summarised in Box 1.5 (and reproduced in full in Annex 1.2). A preamble lays down the “basic principle” that “locally-owned country development strategies and targets should emerge from an open and collaborative dialogue...in ways that respect and encourage strong local commitment,

⁶ for a discussion of the partnership theme in these documents, see Maxwell and Riddell 1998.

⁷ Lister 1988.

⁸ e.g. DFID 1997.

⁹ DAC 1996.

participation, capacity development and ownership”¹⁰.

21 Much of this is entirely consistent with the formulation in the CDF paper, especially the emphasis on ownership and participation. There are some important additional points, however, especially (a) beginning to spell out what might constitute acceptable policies by the developing country, (b) a commitment to the reliability of external assistance, (c) a recognition of the importance of trade and investment, and (d) a shared commitment to good governance internationally.

Box 1.5: DAC compact for effective partnership

Jointly:	Developing countries:	External partners
1. Adequate resources	5. Appropriate macro-economic policies	13. Stable relations with neighbours
2. Minimise conflict	6. Commit to social development	14. Better international trade and investment system
2. No corruption	7. Accountable government	15. Adhere to aid guidelines
3. Encourage civil society	8. Strengthen capacity	16. Support capacity-building
4. Work with NICs	9. Favour enterprise and savings	17. Provide access to information and technology
	10. Sound financial management	18. Support coherent policies, including human rights
	11. Stable relations with neighbours	19. Better co-ordination of aid

DAC 1996 p. 14

22 In 1998 the DAC Compact was further developed as a *Working Checklist for Strengthening Development Partnerships* (see Annex 1.3). This is less specific than the Compact on some issues (for example, on what constitutes good policy at country level) but more specific in other respects, calling specifically for the untying of aid, more programme aid and budget support, closer links with the private sector, and more joint monitoring and evaluation of aid. On critical process issues, it is largely consistent with the CDF paper, but on some points more concrete (e.g. the call for standing sub-groups of partners on themes and sectors, preferably led by the host government).

Evidence-based contributions

*Lomé Convention*¹¹

23 The Lomé Convention provides an object-lesson in the potential and pitfalls of partnership. The Lomé Conventions, the first of which was signed in 1975, are legal treaties between the EU and a group of developing countries in Africa, the Caribbean and the Pacific (the ACP group)¹². They define principles of

¹⁰ DAC 1996 p. 14.

¹¹ This section draws on Maxwell and Riddell 1998 pp. 260-1.

¹² Lister 1988, Whiteman 1998.

co-operation in both aid and trade, establish legal instruments for the transfer of aid and introduce an element of “contractuality” into the aid relationship. From the start, the first Lomé Convention provided for the donor and the recipient to agree a formal National Indicative Programme (NIP), signed by both parties and fixed, in global terms at least, the level of aid to be provided. It was also made clear that the recipient should take the lead in defining how the money would be spent. There were repeated references in the Convention to “objectives which the ACP States set themselves” (e.g. article 47), and a procedure was established by which the EC’s indicative aid programme would be drawn up based on “proposals made by each ACP state” (article 51).

- 24 The history of the Lomé Conventions since the early days is one of gradual retreat from these high principles of partnership¹³. Initially, this was because the economic model chosen by some developing countries was clearly at variance with what the EU believed to be best for the country concerned. In a later phase, it was because the EU could not accept that aid should be provided irrespective of human rights violations. Thus, the terms of the treaty were gradually tightened. Specifically, greater importance was attached to policy dialogue in the preparation of the NIPs; tighter conditionality was written into NIPs; and human rights clauses were introduced (from 1986). The current Lomé Convention retains an aura of “contractuality”, but the distance between the EC/EU and other, more traditional donors, has narrowed significantly.
- 25 Generalising from this history, Bossuyt and Laporte conclude that there are four pre-requisites for a redefined partnership: (a) recipient ownership combined with donor accountability; (b) open, transparent and continuous policy dialogue; (c) flexible and decentralised implementation, based on clear contracts; and (d) much greater capacity on institutional development. Their practical recommendations focus on programme design, better conditionality, and capacity-building¹⁴.
- 26 The tension over partnership in the Lomé Convention can be seen in the Negotiating Mandates produced by the two sides for the current renegotiation, due to be completed by January 2000. Beneath the shared desire for a strengthened partnership which should facilitate poverty reduction, sustainable development and the further integration of ACP countries into the world economy, and cloaked in diplomatic language, there are different views with regard to the political basis of the partnership (Box 1.6).

Box 1.6: EU and ACP perspectives on partnerships

“For the ACP group, *development* should be the primary objective of partnership; it is an objective in its own right, a fundamental human right, not to be subordinated to political objectives or agendas. Political dialogue should reflect this and be unconditional.

The EU seeks a political environment that guarantees peace, security and stability, respect for human rights, democratic principles and good governance. This is seen as a *prerequisite for development*.”
ECDPM 1999 p. 1.

¹³ Crawford 1996.

¹⁴ Bossuyt and Laporte 1994.

27 The ACP believes that “a true partnership cannot be characterised [or even “tinged”] by conditionalities.” The EU states that it wishes to develop a partnership based on “dialogue, contract rather than conditionality and the fulfilment of mutual obligations,” but is much more specific on ACP obligations than on its own¹⁵. Similarly, both groups tend to agree on key elements of the partnership, but define and emphasise these in different ways.

- *Local ownership of reforms*: agreed in principle, but the ACP fails to mention the consequences of the absence of reforms: if aid was to be reduced, this would contradict with the goal of “security of funds” (below)
- *Predictability and security of resources*: the ACP desire to obtain commitment to predictable funds contradicts EU views on performance criteria and phased programming.
- *Partnership with more explicit allocation of responsibilities*: agreed to by both sides in principle, but neither is explicit on respective responsibilities.
- *Simplification and rationalisation of instruments*: the EU places much more emphasis upon this than the ACP does.
- *Flexibility in programming*: advocated by the ACP but not spelt out in detail.

28 Despite these differences, there are elements of “contractuality” that leave the EC/EU ahead of some other donors. The formal negotiation over the Lomé Convention and over individual NIPs is one; the role of the ACP secretariat is another. In comparing the aid performance of different donors during the course of an evaluation of EC/EU aid, focus groups in Ethiopia expressed particular appreciation of a negotiated aid framework in EU aid¹⁶.

Three bilateral donors

29 Many bilateral donors have worked with the concept of partnership. Three cases illustrate the experience.

30 *Sweden*. The first is Sweden, which has defined seven criteria for partnership, listed in Box 1.7. There are two notable features of this list: the emphasis on transparency on values; and the idea of contractuality (explicitly referred to as “a new contractual relationship”), supported by a code of conduct.

Box 1.7: SIDA characteristics of partnership

1. A subject to subject attitude
2. Being explicit about values
3. Transparency in interests
4. Clear standards
5. Stick to the agreements
6. Equality of capacity
7. A code of conduct

Karlsson 1997 p. 7

¹⁵ Specifically, the EU negotiating mandate identifies four ‘fundamental principles’ of partnership. These are: (a) ownership, (b) participation and shared responsibility, (c) dialogue, contract rather than conditionality, and (d) a differentiated approach, in which co-operation is tailored to a partner’s level of development (EU 1998 p. 3).

¹⁶ Maxwell 1996a.

31 *UK*¹⁷. The UK introduced the concept of partnership in the White Paper on international development, published in 1997. What the concept means on the recipient side is set out in a box, reproduced here as Box 1.8. What it means on the donor side is set out in the text, in the following words:

“Where low income countries are committed to the elimination of poverty and pursuing sensible policies to bring that about, the Government will be ready to enter into a deeper, long-term partnership and to provide:

- a longer-term commitment
- an enhanced level of resources
- greater flexibility in the use of resources.” (DFID, 1997 para 2.21)

Box 1.8: A UK perspective on development partnerships

Countries with which we are prepared in principle to embark on a deeper, long-term partnership, involving all forms of assistance, will be low-income, containing a large proportion of poor people.

They will also be countries where the UK is wanted as a partner, has the influence to play a positive role, and a comparative advantage in being able to make a strategic contribution to poverty reduction..

We would expect partner governments to:

- have a commitment to the principles of the agreed international development targets and be pursuing policies designed to achieve these and other UN targets which they have agreed;
- be committed to pro-poor economic growth and conservation of the environment, and be pursuing appropriate policies;
- wish to engage with us and with the donor community to this end;
- pursue policies which promote responsive and accountable government, recognising that governments have obligations to all their people; promote the enjoyment of civil, cultural, economic, political and social rights; and which encourage transparency and bear down on corruption in the conduct of both the public services and the business sector.

(DFID 1997 Panel 14)

32 This formulation of partnership is set in the wider context of a White Paper which deals explicitly with non-aid matters, including trade, finance and investment. It lays particular stress on the commitment required of developing country partners, including to the international development targets and to various aspects of good government.

33 The DFID formulation raises a number of issues. Are all the criteria for partnership equally important, and if not, how will they be weighted? Is partnership to be based on needs or results? And what will happen to countries who do not qualify for partnership?

34 Some of these questions were addressed in later thinking by DFID. Thus, Goudie in March 1998, in depicting “issues of governance as lying at the heart of our approach to partnership”, listed specific areas of concern with regard to

¹⁷ This section draws on Maxwell and Riddell 1998 pp. 262ff.

DFID's implementation of a partnership approach:

“Inevitably there are a range of key qualifications that are undoubtedly relevant here and which need to be at the fore of our minds in formulating our approach to particular countries. I might mention, for example, the dangers of attempting to generalise across partner countries whose own circumstances show such immense diversity; secondly, we should avoid drawing up mechanistic rules for decision-making that overlook the subtlety and complexity of each of these context; thirdly, we should shy away from formal rankings or league tables that simplistically seek to capture the manner in which we differentiate between the commitment of different partner countries; fourthly, we should not be formulating messages and approaches in isolation from the rest of the external community, but seeking a collaborative and constructive multilateral approach; fifthly, we take care not to fall back into conditionality, with only a revamped vocabulary, that many see as having dogged past efforts at partnership.”¹⁸

35 *USAID*. The third case comes from USAID's attempts to create partnerships between business, civil society and government, launched at the 1995 World Summit for Sustainable Development, in which the agency adopts “a strategic approach to development partnering, designed to increase the capacity of local actors to work together...and create purposeful coalitions.” A number of lessons have been drawn from this experience (Box 1.9): three stand out.

“First, good partnerships are constructed incrementally. Secondly, where significant resource transfers are the sole focus of assistance, incentives for local participation are hard to sustain beyond the initial resource transfer. Third, both donors and their partners share a common interest in a clear results framework.” (Chanya *et al* 1998)

Box 1.9: Lessons learned from USAID intersectoral partnerships (ISPs)

1. ISPs can address large-scale issues that no individual sector can manage alone.
2. Partnering requires a long-term commitment, but one undertaken in small steps.
3. Partnership does not require a merging of roles by the partners – each retains its own distinctiveness.
4. Partnership must be based on a commitment to respect differences and on mutual accountability.
5. Partners must keep people focused on the unique win-win situations that partnership produces.
6. All key interests should be represented.
7. Partners need to disseminate best practice about partnership, to promote future ISPs.
8. Successful ISPs encourage creativity and innovation.
9. Partnerships are between organisations, not individuals, and should be inclusive.
10. Partnerships need to be adapted to local contexts.
11. Successful local ownership requires that partners have a stake in resolving the issue, and are empowered by the process. (Chanya *et al.* 1998 pp. 15ff)

¹⁸ Goudie 1998 p. 8.

NGOs

- 36 A number of authors have researched the partnership relationship between Northern and Southern NGOs. Thus, Fowler (1992), arguing that not all relationships are partnerships, suggested that partnerships are characterised by sharing, with a sense of mutuality and equality of the parties involved. Mutuality could not be achieved without agreement on basic development processes, trust, and legitimacy (tied up with accountability) on both sides. A particular risk was to see partnership as “projection”, with southern NGOs treated as a vehicle for the delivery of northern ideas, resources, management styles and leadership.
- 37 In reviewing partnerships between Northern Protestant NGOs and their southern partners, Riddell identified a series of conditions for establishing and maintaining a partnership:
- Recognition of the autonomy of the other partner;
 - The specification of agency objectives, approaches and methods;
 - The listing of the terms and conditions of a partnership agreement, including northern agency responsibilities;
 - A commitment to flexibility, openness and mutuality.
 - Relationships should be based on an acknowledgement that agencies have different interests;
 - Northern partners need in-depth relationships with partners in the south, but practical constraints mean that some relationships will be more limited in scope;
 - Partnerships have to include assessment of performance and subsequent reflection and feedback¹⁹
- 38 Particular NGOs have adopted similar principles. For example, CARE USA identify the following characteristics of partnership:
1. Weave a fabric of sustainability.
 2. Acknowledge interdependence.
 3. Build trust
 4. Find shared vision, goals, values and interests.
 5. Honour the range of resources.
 6. Generate a culture of mutual support and respect for differences.
 7. Find opportunities for creative synergy.
 8. Address relationship differences as they occur.
 9. See partnering as a continuous learning process²⁰.

Business and law

- 39 In commerce, of course, the principle of partnership has been developed in legal terms (through contract law). The contractual format, with precise

¹⁹ Riddell 1993 p. 4.

²⁰ Burke 1998 pp. 4-5.

stipulations of the rights and responsibilities of each partner, may provide a source of ideas when drafting development co-operation partnerships. In contractual partnerships performance criteria are explicit and measurable; reporting requirements are specified; time-frames and the limits on independent (non-consultative) action are laid out; and required and prescribed actions are delineated.

- 40 There are also other, non-contractual aspects to commercial partnerships which may provide pointers to those crafting and operating within an intergovernmental partnership for development co-operation. Studies of co-operative business partnerships, especially across national boundaries, have found that intangible factors like trust are crucial in establishing co-operative relationships based on mutual obligation. A study of seventeen joint ventures in Britain and Malaysia found that trust covered both personal and institutional relationships, but that personal relationships were at the core of trust between organisations. Promissory based trust is the degree of confidence that a party can be relied upon to carry out a verbal or written promise. Goodwill based trust refers to actions that behaviour will benefit the other party. Competence based trust relates to the knowledge, skills and expertise of the parties²¹.

Participation

- 41 A final set of connections is to the literature on participation, which in many ways mirrors that on participation. In particular, analysts have identified different levels of participation, summarised in Box 1.10. They range from “manipulative participation”, in which participation is “simply pretence”, through to “interactive participation”, in which participation is a right, and its implementation is characterised by joint analysis, systematic learning, and local control.

²¹ Butler and Gill 1999.

Box 1.10: The Spectrum of Participation

Interactive participation	People participate in joint analysis, development of action plans and formation or strengthening of local institutions. Participation is seen as a right, not just the means to achieve project goals. The process involves interdisciplinary methodologies that seek multiple perspectives and make use of systematic and structured learning processes. As groups take control over local decisions and determine how local resources are used, so they have a stake in maintaining structures or practices.
Self-mobilisation	People participate by taking initiatives independently of external institutions to change systems. They develop contacts with external institutions for resources and technical advice they need, but retain control over how resources are used. Self-mobilisation can spread if governments and NGOs provide an enabling framework of support. Such self-initiated mobilisation may or may not challenge existing distributions of wealth and power.
Functional participation	Participation is seen by external agencies as a means of achieving project goals, especially reduced costs. People may participate by forming groups to meet predetermined objectives related to the project. Such involvement may be interactive and involves shared decision-making, but tends to arise only after external agents have already made major decisions. At worst, local people may still only be co-opted to serve external goals.
Participation for material incentives	People participate by contributing resources, for example labour, in return for material incentives. Farmers are involved in neither experimentation nor the process of learning. People have no stake in prolonging technologies or practices when the incentives end.
Participation by consultation	People participate when consulted, or by answering questions. External agents define problems and information-gathering processes, and so control analysis. Such a consultative process does not concede any share in decision-making, and professionals are under no obligation to take account of people's views.
Passive participation	People participate by complying with what they are told, what has been decided or what has already happened. Project management makes announcements without listening to people's responses. Any shared information belongs only to external professionals.
Manipulative participation	Participation is simply pretence. The people's "representatives" on official boards are not elected and have no power.

adapted from Pretty, J. 1995, reproduced p. 26 in DFID 1998a.

Common themes

42 As donors consider a broader range of partners – international NGOs, regional and local government, national NGOs and the national private sector, as well as national governments – they need to develop criteria for the selection of partners and guidelines for how to approach these partnerships. In general terms, strategic selectivity for the Bank is not and should not be driven by donor comparative advantage. Donor specialisation may make sense for smaller agencies which cannot be expected to meet all needs: the Bank however is big enough and sufficiently well connected that it should be able to respond to what is needed rather than restrict itself to areas of specialisation.

43 This leaves the choice between selectivity based upon analysis of need; selectivity based on partner preference; and selectivity based upon the Bank's analysis of partner capacities. Are partners to be selected on the basis of their "like-mindedness", the degree of convergence between them and the donor over basic principles of development? Or are partners to be chosen on the basis of their capacity, their potential to influence change in the short term? Are partners selected on general criteria, or chosen on a case-by-case basis that takes account of the differing realities in different countries? A strong commitment to the principle of partnership might imply less selectivity upon the part of donors.

44 Several common themes emerge from the diverse experiences reviewed here:

- The need for the right values, including a genuine commitment to sharing, on both sides;
- The importance of trust, and of taking measures to build trust;
- Partnership based on empowerment of the weaker party;
- The scope for (need for?) contracts to back up partnership agreements;
- The need for a long time perspective and to build partnership incrementally and sustainably; and
- The need to be pragmatic in applying partnership blue-prints.

Conclusions and practical lessons

45 It is easy to conclude from this review that the intentions of the CDF initiative with regard to partnership are honourable: the Bank's heart, so to speak, is in the right place. The key words identified in James Wolfensohn's paper (ownership, co-ordination, transparency, accountability) are the right words, and reflect much current thinking on the subject.

46 At the same time, the experience reviewed shows three things. First, that, even within contemporary discourse, there are shades of difference which may imply different approaches to partnership: the Bank will have choices to make, analogous to those set out in the participation ladder (Box 1.10). Is the intention to have the partnership equivalent of "interactive participation", or something less ambitious? Will different countries be accorded a different quality of partnership? And if so, on what basis? Goudie's warnings against mechanistic approaches and formalistic league-tables have particular resonance here.

47 The second lesson is that the development of partnership is an organic process, which grows as trust develops. The key idea here is that active steps need to be taken to build trust, and to help partnership develop: what CARE describe as "weaving a fabric of sustainability".

48 A third lesson is that mutual accountability appears to lie at the heart of successful partnership relations, and that accountability is often backed up by formal procedures and even a legal framework. This is a big jump for donors to make, as has been seen in the case of the Lomé Convention. Accountability

requires monitoring, but in contractual form it also requires mechanisms to deal with breaches of contract, and a form of redress open to both parties if the contract is broken. Reflecting on this issue, Maxwell and Riddell commented that “perhaps what we need is a kind of WTPO agreement for aid administration”²².

- 49 The Bank will want to address all three of these issues. One way to do this is to take up the idea of a partnership code of conduct, originally proposed in its own paper of 1998. In conformity with the principles we have reviewed, however, the code should probably be prepared jointly by the Bank and its various partners.

²² Maxwell and Riddell 1998 p. 265.

CHAPTER TWO: NEW APPROACHES TO PLANNING

Introduction

50 The Comprehensive Development Framework is a classic example of multi-sectoral planning. It is presented as being long-term, holistic and strategic, albeit participatory, flexible and carefully sequenced (Box 2.1). Of the four pillars of the CDF, three are of particular relevance to development planning:

- The emphasis upon a *holistic approach* to the long-term transformation of complex, integrated structures (social, economic and political).
- The stress placed by the CDF on *partnership* – shared objectives translated into equitable burden sharing based upon a rational analysis of the relative strengths and weaknesses of different organisations (central and local government, donors, NGOs, and the private sector).
- An orientation towards *results*, implying investment in developing suitable indicators and linking these indicators to learning and accountability.

Box 2.1: The approach to planning in the CDF

“I believe that unless we think of having all the basic prerequisites, say over a twenty year timeframe, we will endanger, and sometimes ruin the effectiveness of individual projects and programmes which we undertake with our clients. Clearly not all the objectives can be approached simultaneously. The framework should not become a straight jacket. We need the flexibility to adjust to the varied conditions of each country. There will be a need for setting priorities, for phasing of action based on financial and human capacity and based on necessary sequencing to get to our objectives...”

What is new is an attempt to view our efforts within a long-term, holistic and strategic approach, where all the component parts are brought together. Such development should, in our judgement, be a participatory process, as transparent and as accountable as possible within the political climate prevailing in each country. This is not a return to central planning...”

Wolfensohn 1999 pp. 7-8, 30-31.

51 We have, however, been here before. Indeed, if “here” means full-scale multi-sectoral planning, we have been here with notably unsuccessful results. As Maxwell remarked in 1997,

‘the death of planning is widely advertised; and it is not surprising that this should be so. The pretensions of planning to objectivity and impartiality have long been questioned. Current conventional wisdom privileges the market over the state and disparages the jobs that planners do, like setting targets, allocating resources, or even designing projects. Further, the philosophical tide has turned, away from concepts familiar to planners, like order, sequence and predictability, towards other, less manageable constructs, like variability, risk and diversity...time to abandon government, one might think, and find a job in the private sector’²³

²³ Maxwell 1997 p. 515. See also Scott 1998 and (for an extreme position) Escobar 1992.

52 The emphasis upon participation, flexibility and sequencing in the text quoted in Box 2.1 suggests that the Bank is well aware of the problems posed by the idea of planning. Nevertheless, it is worth asking what model of planning is then to be adopted. Current research provides pointers which governments and other actors can use to help make the CDF work. In the following pages, we briefly review the experiences of earlier approaches to what might be described as “holistic” planning, and draw some general conclusions. We then comment on the current enthusiasm for targets-oriented planning.

*A short history of holistic approaches to planning*²⁴

53 By way of introduction, it is worth noting that ‘planning’ mean different things, depending upon context. Firstly, it can refer broadly to any willed intervention in which planners define goals, specify inputs and present a model of causality linking activities to goals. This can cover sectoral plans (e.g. industrial planning), multi-sectoral or thematic planning (e.g. food security planning) or national, macroeconomic planning (e.g. Five-Year Plans or centrally-planned economies)²⁵. In the broad sense, then, planning is simply what governments do, although the degree to which they should do it is a matter of debate. The second meaning of planning is more specific, derived as much from the diagrammatic plans of architecture or engineering as it is from meaning of plan as an input-output model. Planning is used in this context to describe an area-based approach that emphasises the development of physical infrastructure systems (e.g. urban or watershed planning).

54 Both types of planning are central to the work of the Bank, whose role is defined primarily by its “responsibility for the structural and social aspects of development”²⁶. In both broad usage (government regulation and direction of economic and social change) and narrow usage (design, implementation and management of integrated systems of productive or social infrastructure), planning has been subject to numerous crises of identity and conscience. Since the late 1970s the underlying global trend has been away from planning, or at least away from directive planning towards enabling planning²⁷.

55 It is important to remember that planning failures occur in rich as well as poor states. However, failures are more likely, and their effects more serious, in the developing world, where the state typically:

- has more limited analytical capacity, and so faces greater problems in identifying best-choice solutions to complex problems;
- (sometimes) displays more rigid demarcation between planning functions;

²⁴ This section draws on Maxwell 1997.

²⁵ The slightly old-fashioned use of the word planning in a national, macroeconomic context – where today it is more likely that “policy” or “management” would be used instead – can be seen the entry under “Planning” in *The New Palgrave Dictionary of Economics* (Vohra 1987 pp. 885-891), or in the chapter headings that fall under “planning and resource management” within Volume II of the *Handbook of Development Economics* (Chenery and Srinivasan 1989).

²⁶ Wolfensohn 1999 p. 3; he uses this definition of the Bank’s work to distinguish it from the Fund, whose primary role is macroeconomic stabilisation and surveillance.

²⁷ World Bank 1996.

- is less subject to checks (either by regulatory state bodies or by civil society) upon misguided or self-serving planning;
- and is more dependent upon coercive rather than institutional means of enforcing its will in the face of opposition to planning decisions.

56 These problems may be further exacerbated by a failure of donor discipline in co-ordinating development aid. In many poor and aid dependent countries the state itself has been marginalised by the independent project planning processes of donors. Sometimes this has been seen by donors as a logical solution to the problems of working through weak or corrupt state structures. This “solution” is however largely illusory. In the long-term, improvements will only be sustained if implemented through improved government structures. When a multitude of donors pursue independent approaches the result is limited or even counter-productive impact (see Box 2.2).

Box 2.2: The need for partnership in planning: donors and the education sector in Cambodia

Between 1989 and 1994 SIDA pursued its humanitarian and development objectives in Cambodia by funding the projects of multilaterals and international NGOs. At one point SIDA provided support for the development of primary education by funding both UNICEF and the ADB. These two agencies subsequently pushed for different approaches to education sector planning, resulting in a public division between donors and a retrenchment of attitudes in the Ministry of Education, Youth and Sports. Having made grants to both organisations, SIDA was caught in the frustrating position of having “unintentionally supported different, and to a large extent conflicting, approaches to educational development in Cambodia” (Bernander *et al* 1995 p. 149). In general, “too much, and sometimes conflicting, donor pressure on the Ministry has led to a reaction, by which the Government is likely to take a much more conservative stand, and be less open to reform.” (*ibid*). While the problems of the education ministry cannot be blamed entirely upon poor donor planning, the lack of partner ownership of sectoral planning can be seen to have further retarded the development of the sector.

57 This section summarises the experiences integrative or holistic approaches to planning, drawing on five examples from development planning (integrated rural development, river basin development planning and management, multi-sectoral nutrition planning, national food security planning, and poverty planning) and one (post-Fordist industrial organisation) from outside the field.

Integrated Rural Development (IRD).

58 From the late 1970s donors and governments broadened their understanding of rural problems. The solution was seen to lie in a multi-pronged approach to interlocking problems: although the approach varied widely²⁸, most attempted to combine interventions to raise agricultural productivity (inputs, irrigation and advice) with improvements in health care, education and access to credit.

59 The planning and organisational problems of integrated rural development (at least in its first incarnation) have been a common theme of the literature²⁹. A

²⁸ Kleemeier 1988.

²⁹ See, for example, Korten 1980, Korten and Klauss 1984, Gwyer and Morris 1984, Rondinelli 1983, Chambers 1993.

good example is the review of IRD by Crener *et al* in 1984, which lists seven reasons for failure, two of which clearly concern planning:

- Projects were conceived in a rigid manner, due to an overly idealised economic, political and institutional environment; and
- Both newly created and existing organisational structures did not foster effective and efficient project management³⁰.

60 Birgegard's 1987 analysis of IRD reached a similar diagnosis. He points out that the characteristics of the IRD task requires management which is:

“flexible, adaptable, willing to experiment, to learn and to accept mistakes. Managers need to have bargaining and negotiating skills to reconcile conflicting interests (and) placate influential demands at different levels...and have the ability to explore and to understand the dynamic informal processes between conflicting interests in the project environment... Sadly, the ‘control-oriented’, compartmentalised government bureaucracies with centralised decision-making hardly match the prerequisites of effective management of IRD projects”³¹.

61 A number of different problems surface in these analyses, and in many others on the same theme³². Crener *et al* offer one set of solutions, in the form of five general principles for a new-style IRD planning approach (see Box 2.3).

Box 2.3: Principles for successful integrated rural development planning

- Simple or medium term interventions on an initially limited scale at the outset;
- Constant interaction between planning, execution and evaluation;
- Dynamic analysis and more in-depth comprehension of the milieu;
- Increased participation on the part of target groups in decision-making, implementation and evaluation;
- Diversification and strengthening of the support given to local capacity for institutional organisation.
(Crener *et al* 1984)

62 Crener *et al*'s five principles encapsulate the new approach to rural development planning, styled “process approaches” in contrast to earlier “blue-print” models. Chambers has summarised the differences between blueprint and process approaches (Box 2.4). Thus, blueprint planning uses technical specialists to devise a scientific plan in the capital city, which is then implemented according to a rigid timetable; process planning, by contrast, is bottom-up in nature, organic, flexible and action-oriented.

³⁰ Crener *et al* 1984 p. 40ff.

³¹ *ibid* pp. 6-7.

³² See bibliography in Birgegard 1987, esp. footnote 2.

Box 2.4: Blueprint and process approaches in integrated rural development planning

	BLUEPRINT	LEARNING PROCESS
Idea originates in	capital city	village
First steps	data collection and plan	awareness and action
Design	static, by experts	evolving, people involved
Supporting organisation	existing, or built top down	built bottom-up, with lateral spread
Main resources	central funds and technicians	local people and their assets
Staff development	classroom, didactic	field-based action learning
Implementation	rapid, widespread	gradual, local, at people's pace
Management focus	spending budgets, completing projects on time	sustained improvement and performance
Content of action	Standardised	diverse
Communication	vertical: orders down, reports up	lateral: mutual learning and sharing experience
Leadership	positional, changing	personal, sustained
Evaluation	external, intermittent	internal, continuous
Error	Buried	embraced
Effects	dependency-creating	empowering
Associated with	normal professionalism	new professionalism

(Chambers 1993 p. 12, adapted from David Korten)

River Basin Development Planning and Management (RBDPM)

63 RBDPM can be seen as a special case of regional integrated rural development. River basins constitute natural systems with a clear areal boundary: they would seem logical candidates for geographically-defined planning authorities with jurisdiction over inter-linked issues of forest management, agriculture, fishing, river navigation and the supply of water for human and industrial consumption. Since the Tennessee Valley Authority was established in 1933, “multipurpose,” “integrated” or “holistic” RBDPM have been used throughout the developed and developing world, for a variety of reasons. In the Philippines and Mexico, RCDPM was introduced in an attempt to promote decentralised rural development; in Africa, it has been seen by central governments as a way of circumventing existing local administrative structures that are “stagnant, corrupt or difficult”³³.

64 Although there are differences of opinion on some points, the lessons of integrated or holistic RBDPM can be summarised as follows:

- Performance appears not to be strongly determined by formal politics. Management structures and styles seem to explain why some schemes

³³ Koppel 1987 on the Phillipines; Adams 1992, cited in Barrow 1998 p. 176-7, on Africa.

work and some fail, regardless of whether the national system is characterised as a democracy or one-party rule.

- Lack of baseline data and adequate monitoring leads to decisions based upon false assumptions
- Single basin authorities tend to be either ineffective vis-à-vis established line departments or too effective, ignoring national rules and regulations (as in Kenya)
- History is important: a legacy of previous failures with RBDPM approaches may mean that planners are better off moving to another system (e.g. state-based planning) rather than attempting to reform deeply discredited RBDPM institutions
- Strong RBDPM institutions – especially national institutions which monitor or police projects and mediate between regional and national interests – can avoid some of the problems that arise from donor insistence on bilateral negotiation on projects (i.e. multiple conditionalities)
- Participatory mechanisms are essential to ensure that development does not harm the interests of local stakeholders (smallholder farmers, artisanal fishers etc.)³⁴

65 The prescription emerging from a review of RBDPM schemes is i) the need for a sensitive multidisciplinary approach to integrate the needs of numerous local and national stakeholders; ii) the adoption of a flexible, adaptive process approach to deal with inevitable unforeseen problems; iii) consultation with / participation of the private sector (for funding, and for identifying economic interests in RBDPM); and iii) community participation to hold administrators accountable to local communities. Authorities with responsibility for co-ordinating the work of existing regional, national, commercial and private organisations may be more effective than all-encompassing bodies.

Multi-sectoral nutrition planning (MSNP).

66 Large-scale and systems-oriented multi-sectoral nutrition planning underwent a boom in the 1970s. In reviewing experiences with MSNP, Field identified seven “intellectual flaws” (many familiar from the diagnosis of IRDP problems) which “derailed” the approach³⁵:

- MSNP was largely oblivious to problems of implementation as “an inherently pluralistic, often conflictual process that is uncertain, even precarious...”;
- The programmatic features of MSNP were “devastating to effective implementation”, with ambitious goals, long chains of causality and multiple-decision points;
- Organisational overload, with a “premium placed on inter-ministerial co-ordination (that) was neither (sic) realistic, desirable nor necessary”;
- Naiveté about political economy and illusions about technocratic omnipotence;

³⁴ Barrow 1998.

³⁵ Field 1987 p. 23ff. Despite disagreement on details, others concur with the main points of this diagnosis, especially with regard to the large-scale multi-sectoral systems analysis projects of the 1970s: Berg *ibid*, Levinson 1995.

- Political conservatism and disregard of broader social, economic and political relationships;
- Neglect of wider development linkages;
- MSNP fell between sectoral stools and suffered from an identity crisis.

67 Field identified eleven lessons for the future of MSNP³⁶. These included the introduction of a process dimension to nutrition planning, with increased emphasis on beneficiary participation and “backward mapping”; downgrading the importance of planning; emphasising the need for simplicity and subordinating analysis to action; and focusing on the implementing role of the existing sectoral ministries. This is a list which is familiar from the IRD process model, except that it applies the lessons to questions of national planning rather than to project implementation.

National food security planning

68 National food security planning has suffered from numerous organisational difficulties. The review literature has identified and described (for example) communication problems between government departments in Ethiopia; the difficulties of donor co-ordination on food security in Sudan; the quality of dialogue between governments and donors and the difficulty for donors of integrating instruments in pursuit of food security; and the institutional problems of trying to link relief and development in the field of food security³⁷. As with IRD, the attempt to provide an integrated solution to the problem of food security has run into constraints of capacity, flexibility and sustainability.

69 How, then, can the ideal of promoting food security as an “organising principle”³⁸ be carried into practice? FAO has pioneered planning methods which involve workshop sessions to develop and analyse multiple criteria tables for ranking and choosing food security interventions³⁹. More generally, an approach to food security planning has been proposed which draws on the lessons of previous experience and emphasises:

“integrated planning but independent implementation (no ‘super ministries’); the importance of a bias to action over planning (‘start small and grow’); the value of risk-taking and innovation (‘pilot projects’); and the importance of addressing explicitly the need for new modes of organisation in multi-disciplinary team work (‘task cultures not role cultures’).” (Maxwell 1990 p. 6)

70 These, again, are familiar themes. Davies suggests caution, however, citing Moore to the effect that many African countries may need to (re)create a public service which meets minimal Weberian requirements for competence and accountability, before more complex and appropriate systems can be

³⁶ *Ibid* p. 26ff

³⁷ Belshaw 1990; Maxwell 1991; Kennes 1990; Davies 1994.

³⁸ Hindle 1990.

³⁹ Huddleston 1990.

adopted⁴⁰. “Paradoxically”, she concludes,

“overcoming institutional constraints...may therefore necessitate the establishment of a minimal level of apparently old style bureaucracies before these can then be reformed to respond to the complex needs of linking relief and development.” (ibid p. 52)

Poverty planning

71 A wave of work on poverty followed the publication of the 1990 World Bank World Development Report⁴¹, and resulted in a large number of Poverty Assessments and Poverty Reduction Strategies. A 1994 review of World Bank work in this area in sub-Saharan Africa identified two main areas of weakness which are relevant to a discussion of planning issues⁴².

72 The first was a lack of inter-disciplinary analysis of poverty, and particularly the lack of political and social analysis: the Poverty Assessments (PAs) reviewed had concentrated on collecting economic (consumption) data, and had neglected analysis of underlying social processes. Toye and Jackson concluded that

“the analysis of the process of poverty...has been the major weak point of the Bank’s poverty assessment efforts to date...it is a critical area of weakness, given the boldness and ambition of the new poverty agenda.”⁴³

73 The second weakness was the lack of linkage between poverty assessments and other instruments of planning and policy. Poverty reduction strategies were designed to influence policy across the board, but it often seemed that they had little influence. Toye and Jackson noted that:

“At present there seems to be little connection between the processes of preparing the new Poverty Assessments and other tasks of country documentation, including the preparation of Public Expenditure Reviews...without any particular sensitivity to the logical links between the attempt to achieve a new anti-poverty emphasis in country policies and the implications of this for changes in their public expenditure management.” (ibid p. 60)

74 Implicit in these criticisms is a model of preparing poverty assessments which entrusts the task to a small group which may or may not consult as widely as it should, and whose report is thrown into a competitive arena with other sectoral or thematic special interests.

75 The World Bank has been aware of the problems, and its response throws

⁴⁰ Davies 1994, Moore 1993.

⁴¹ World Bank 1990.

⁴² IDS/IUED 1994.

⁴³ Toye and Jackson 1996 pp. 58-9.

further light on how to approach multi-sectoral planning. A recent task force report is remarkably frank about the difficulties of integrating poverty assessments into country assistance strategies and lending programmes, and concludes that although

“PAs have done a reasonably good job of identifying the policy and strategy options that will assist the poor to become more active participants in the growth process, these options, typically, are not being reflected in the Bank’s assistance strategies or operations” (World Bank 1996 p. 102)

76 Various reasons are cited for the shortcomings, including inadequate information, complacent attitudes by Governments, a willingness by Bank management to compromise on poverty in the interest of good country relations, and importantly for our purposes, the fact that

“operational interests tend to be made based more on sectoral interests and less on the understanding that poverty reduction requires a multi-sectoral, integrated approach” (ibid:110).

77 The solutions offered by the task force are to strengthen linkage between the poverty assessment, the country assistance strategy and the lending programme, and to achieve this by taking, *inter alia*, the following actions⁴⁴:

- Establishing poverty reduction as the pervasive organising principle, “through the *leadership* of managers and the actions of staff”;
- Establishing a strengthened *process* for preparing country assistance strategies, working with country teams, governments, donors and other stakeholders;
- Introducing *procedures* such that country business plans set out in detail how the poverty reduction strategy will feed into the Bank’s work programme;
- New *training* and *incentives* for staff; and, finally,
- Rigorous *monitoring* of how well a new poverty strategy is being implemented.

Industrial organisation

78 A final example comes from “post-Fordist” industrial organisation, characterised by a move away from repetitive production line routines, towards more flexible and responsive team-working. Many of the precepts of new approaches to development planning - process planning, participation, a bias to action, and decentralisation – are familiar to students of what Murray calls the “new managerialism”⁴⁵. It is interesting, for example, to compare Chambers’ description of process planning (Box 2.4 above) with a description of contrasting corporate cultures (Box 2.5): the two are entirely complementary.

⁴⁴ *ibid* pp. 1111-2, italics added.

⁴⁵ Murray 1992; Peters and Waterman 1982; Peters 1987.

Box 2.5: Contrasting approaches to corporate organisation and planning

MECHANISTIC		ORGANIC	
Closed system	<ul style="list-style-type: none"> ▪ Adapting ▪ Internally oriented ▪ Passive consumers ▪ Arms-length suppliers ▪ Competitive 	Open system	<ul style="list-style-type: none"> ▪ Adaptive ▪ Interplay of internal / external ▪ User-centred ▪ Close, long-term supplier relations ▪ Collaborative networks
Planning	<ul style="list-style-type: none"> ▪ Pre-planning ▪ Concentrated at centre ▪ Detailed targets ▪ Imposed by centre 	Strategy	<ul style="list-style-type: none"> ▪ Feedback from action ▪ Participatory process ▪ Adjustable range of targets within constraints consensus
Organisation	<ul style="list-style-type: none"> ▪ Multi-layered pyramid ▪ Vertical flow of information and command ▪ Unitary segmented organisation ▪ Departmental specialisation ▪ Role culture ▪ Organograms / job descriptions ▪ Centralisation of operating ▪ Responsibility / rules and manuals ▪ Management role: planning, command, co-ordination, control, organisation as instrument 	Network	<ul style="list-style-type: none"> ▪ Flat hierarchies ▪ Horizontal connectedness through project teams, task forces, matrix methods, decomposed system functional redundancy / duplication ▪ Task culture ▪ Clusters / project goals ▪ Workplace autonomy ▪ Management role: boundary management system adjustment, enabling, supporting, educating, monitoring ▪ Organisation as learning
Labour	<ul style="list-style-type: none"> ▪ Labour as cost ▪ Incentives through pay ▪ Strict hierarchies ▪ Rate for the job ▪ Taylorised: fragmented, de-skilled, division of labour between mental and manual 	Staff	<ul style="list-style-type: none"> ▪ Labour as asset ▪ Incentives through quality of work ▪ Less inequality ▪ Incremental pay ▪ Lower turnover ▪ Multi-skilling – ‘requisite variety’ / group working

Murray 1992 p. 81.

79 Many of these points emerge from a long-standing literature on organisational cultures and structures. Handy, for example, classified organisational cultures as *power, role, task* or *person* cultures⁴⁶. In development administration there is often a need to change traditional “role cultures” (characterised by hierarchical relationships and the prevalence of rules) towards more

⁴⁶ See Handy 1985 chapter 7; Moris 1989; reproduced in Maxwell 1997 pp. 517-8.

innovative “task cultures” (in which teams come together with minimal hierarchy, in order to undertake particular tasks). A task culture is particularly suitable for collaborative projects, of the kind which characterise the CDF.

80 The team-working found in task cultures has generated a large literature on its own account. Bradford and Cohen identify the ideal working environment as one in which team members share a commitment to an overarching goal; pursue open, expressive and supportive relationships; share decisions, where possible by consensus; and look for supportive rather than authoritarian leadership⁴⁷. This echoes the partnership theme running through the CDF.

81 The great challenge for corporate and other organisations is always how to move from one culture to another, and more generally how to thrive in rapidly changing environments (hence the popularity of books such as *Thriving on Chaos*⁴⁸). Change is not easy, however: there will often need to be a crisis to drive change forward. Managers are advised to build “change coalitions” and to offer “quick wins” in order to reinforce the desire to change⁴⁹. It is interesting to speculate what the “quick wins” will be in the case of CDF.

Summary

82 To summarise the lessons drawn from previous attempts at multi-sectoral, multi-agency and / or multi-disciplinary planning, the challenge is how to implement the shift from a role culture to a task culture, or from a blue-print approach to a process approach. Our case studies provide suggestions for practical action to be taken by programme managers and policy-makers. Supplementary to Davies’ concern for minimal bureaucratic soundness, there are eleven specific lessons to be drawn (Box 2.6).

Box 2.6: Integrated planning: lessons from experience

On planning:

- Articulate a clear long-term vision to structure goals and activity planning;
- Set specific short-term goals and work towards them. Focus on the task;
- Train the team to work together, with training in communication, conflict-resolution and multi-disciplinary skills;
- Build team cohesion, through collaborative fieldwork, participative leadership;
- Stay close to the customer, build in participation.

On implementation:

- Build in a bias to action. Start small and grow;
- Take risks and innovate. Embrace error;
- Downgrade overt integration. Integrated planning but independent implementation.

On evaluation and public relations:

- Constant iteration between planning, execution and evaluation. Be flexible;
- Monitor progress. Be publicly accountable for targets;
- Raise the profile of the topic. Raise consciousness.

Source: adapted from Maxwell 1997.

⁴⁷ Bradford and Cohen 1997.

⁴⁸ Peters 1987.

⁴⁹ Plant 1995; Kotter 1997.

*Target-based planning*⁵⁰

83 Targets are now a prominent feature of development discourse. Many targets, adopted at UN conferences, provide the basis for planning in governments and donor agencies⁵¹. Leaving aside the question of whether the right targets and time-scales have been chosen, are targets a good idea? The UNDP argued in favour, citing the example of the World Summit for Children in 1990, which:

helped raise general awareness...Low cost and cost-effective actions (made) it possible to achieve the goals by restructuring budgets rather than by making big increases in spending. Monitoring was also vital...Up-to-date information [is] widely used to assess progress and mobilise and maintain support. (UNDP 1997 p. 111)

84 There is, however, a contrary view, according to which international targets

over-simplify and over-generalise complex problems. They distort public expenditure priorities, both because they misrepresent the problem, and because they privilege some sectors at the expense of others. Monitoring progress is extremely expensive and detracts from action on the ground. And the political benefits, though appreciable at first, may rapidly be lost if targets are not achieved⁵².

85 Firstly, then, simple targets may misrepresent the complex reality of life⁵³. Poverty provides a good illustration, because it is a multi-dimensional concept, and one which contains a large element of subjective feeling. An income or consumption measure of poverty may fail to capture important aspects of poverty, including poor access to health, education and other services, social exclusion, powerlessness, lack of autonomy and loss of self-esteem⁵⁴.

86 In planning to meet targets, multi-dimensionality does not matter if alternative indicators are closely correlated, in which case any one will stand as a proxy for the others. Thus, low income might not capture the full reality of poverty, but might serve adequately to identify the poor and to measure the extent of their deprivation. Unfortunately, it is hard to defend the assumption that this is the case. In some cases of multiple deprivation, all the indicators agree; in other circumstances they clearly do not⁵⁵. This matters because one objection to target-based planning is that targets distort policy.

⁵⁰ This section draws upon elements of Maxwell 1998.

⁵¹ A selection of which have been drawn together as the DAC goals (DAC 1996) which have in turn influenced national policy statements (e.g. UK 1997).

⁵² see Maxwell 1996c, 1998 p. 79.

⁵³ Reductionism is, of course, a general problem in development research: see Chambers 1997 p. 42.

⁵⁴ see e.g. UNDP 1997 pp. 15-16; Baulch 1996a; Chambers 1983; Shaffer 1996.

⁵⁵ UNDP note that: "Someone can enjoy good health and live quite long but be illiterate and thus cut off from learning, from communication and from interaction with others;...[or] may be literate and quite well educated but prone to premature death because of the epidemic ecological characteristics or physical disposition;...[or] may be excluded from participating in the important decision-making processes affecting her life. The deprivation of none of them can be fully captured by the level of their income" (UNDP 1997 p. 16).

Do targets distort policy?

87 There is always a risk that a single-minded pursuit of targets results in the distortion of policy at various levels. First, some sectors are privileged above others. Sectors which have been the subject of an international conference are likely to benefit from target-driven increases in resources. Those which are less fortunate are likely to become the orphans of public expenditure reviews. The DAC targets provide a case in point. They have become hegemonic in international discourse, but are deliberately selective. It is not clear why the nutrition goals of the World Summit for Children (WSC) or the International Conference on Nutrition were not incorporated⁵⁶. Leaving these out would not matter if everything were strongly correlated to everything else – but this is rarely the case.

What is the opportunity cost of monitoring progress?

88 In a liberalised economy, public expenditure is the main instrument of economic policy, and the public expenditure process the main arena in which arbitration takes place between competing policy priorities. Monitoring progress towards targets is itself a public expenditure, and therefore has an opportunity cost. How high this cost is depends on the complexity of the targets. Simple-sounding targets may be difficult to measure. In halving dollar-a-day poverty, for example, what assumptions are to be made about purchasing power, variability in prices, the valuation of subsistence production, seasonal or other variations in income, or intra-household distribution? These are not trivial problems⁵⁷.

89 These difficulties are multiplied if the targets are broadened to include non-monetary aspects⁵⁸. Some have argued that the use of participatory methods can cut through the complexity, give a higher priority to people's own perceptions, and simultaneously cut costs. Participatory methods are certainly ethically attractive and greatly enrich analysis, but their very diversity makes it difficult to aggregate their findings and thus difficult to use them to monitor international targets⁵⁹.

90 Leaving aside the feasibility or desirability of deriving generalisable explanations⁶⁰, we are left with a problem. If targets work, they do so because progress towards them can be monitored. But monitoring is expensive, and the more subtle the targets, the more expensive monitoring is likely to be. This cost must be measured in the time of scarce skilled professionals as well as in

⁵⁶ WFS 1996 p. 1; UNICEF 1990; FAO and WHO 1992.

⁵⁷ See Hanmer *et al* 1997 p. 8.3. for a review of "problematic" money-metric poverty assessments in sub-Saharan Africa.

⁵⁸ e.g. Oppenheim and Harker 1996; CESIS 1997.

⁵⁹ Compare Chambers 1997; Baulch 1996b pp. 39-40.

⁶⁰ Baulch accepts that participatory methods yield diverse pictures of poverty, and dismisses them because no replicable answers emerge. The proponents of PRA argue that this is a core strength, that there *are* no simple answers, and that policy needs to avoid reductionism and adapt to the complex reality on the ground (Chambers 1997): an approach I have dubbed 'post-modern' (Maxwell 1996b).

money. Measurement may become the dominant activity of policy-makers: the DAC targets and the follow-up to the World Food Summit increased the work-load for statisticians and advisers in the development ministries of OECD countries. The investment in information may not be matched by investment in action, with a “missing link” between analysis and response⁶¹.

Can unrealistic targets destroy political momentum?

91 A final question concerns the political value of targets. The justification for targets is that they help to mobilise and sustain political support for actions to help the poor. This they clearly do: the use of the DAC targets has been impressive, for example in the UK White Paper on development, and in the political discourse that surrounds it.

92 Management texts remind us that teams thrive on goals which are SMART (that is, stretching, measurable, agreed, recorded, and time-limited)⁶². The DAC targets appear to succeed as SMART goals - with a qualification regarding the degree to which they are agreed. The wording of the core DAC target is stronger than the wording of the international conference (the 1995 Copenhagen Social Summit) from which it was derived, which merely stated that countries would define and work towards poverty targets. In this sense the more specific DAC target is not ‘agreed’ to by the governments of the developing world, who will have to carry the main burden of implementation.

93 Targets may also fail because they appear to be unrealistic and set too far into the future. Goals should be stretching, so it is acceptable that they may initially appear unrealistic. If targets appear to be hopelessly ambitious, however, planners will fail to mobilise the support required to transform aspirations into outcomes. Shorter horizons are more effective: the private sector, for example, generally aims to reduce two or three year deadlines to practical incremental steps in order to generate commitment and action⁶³.

94 It is thus hard not to be a little cynical about the current enthusiasm for ambitious development targets. Many past targets have been disturbingly aspirational, have not been met and risk becoming discredited as a result. The DAC 21st century targets run the same risk. A twenty-year time horizon is part of the problem. Most of the civil servants who devised these targets, and most of the politicians who use them, will not still be active in 2015. UNICEF’s approach - setting mid-decade targets for the WSC goals may be the right one.

Summary

95 A target-based approach to development planning is like a curate’s egg, excellent in parts. The translation of SMART targets from management theory

⁶¹ DAC 1997; Buchanan-Smith and Davies 1995.

⁶² Leigh and Maynard 1995 p. 220. In private and public sector organisations targets are in common use to motivate employees and monitor progress: thus “the purpose of clear goals is to ensure that people know what the team is trying to achieve, mobilising their enthusiasm, curiosity, energy, creativity and talent. Goals justify the team’s existence.” (*ibid.* p. 52).

⁶³ *Ibid.* p. 62, 64.

to international development has many political attractions, galvanising opinion and concentrating minds. But not all targets are SMART, and a certain cynicism is understandable when the same targets reappear at regular intervals. Targets are reductionist, may distort spending plans, can be expensive to monitor, and entail political risks if not met. Those whose job it is to devise targets should think hard about appropriate time-horizons (five years maximum?) and ambitions (stretching, but not to breaking point).

96 We should also acknowledge that targets (and particularly international targets) have only a tenuous connection to national planning. In assisting in national processes donors should be guided by a different epistemology, one which recognises the diversity and complexity of real-world situations, and which builds on the knowledge, insights and ideas of partners.

97 Finally, we should understand that the very number of national action plans engendered by international conferences now poses real problems for planners in developing countries (despite the great deal of overlap between the plans required for different purposes). We also need to recognise that national action plans, in keeping with SMART principles, exhibit a top-down approach. There is a need to temper this approach with a more open, participatory process planning approach, in which poverty should feature prominently, but with no requirement that any given international target will feature at all.

Conclusions: lessons for the CDF

98 Failures of planning co-ordination occur in the large and professionally trained bureaucracies of the advanced economies, where planners are subject to the scrutiny of organised civil society (community or environmental groups, business associations, and a free press)⁶⁴. It should not then be surprising that planning failures are common in the developing world, where states are often under-endowed with material or human capital and lack good social and economic information upon which to base planning decisions, and where civil society may lack the security or institutions to challenge state planning prescriptions.

99 There are thus strong arguments for new approaches to planning, approaches in which disciplinary perspectives, actors and sectors act in a more integrated (or holistic) manner and in which targets are used to monitor and drive performance. Yet these approaches are themselves not without problems. The lessons of experience from earlier attempts at holistic planning can be summarised as follows:

- Planning needs to move from a blueprint to a process approach: that is, needs to acknowledge that reality is complex and information imperfect, and that planning will have to be flexible enough to account for and adapt to changing circumstances.
- Complex, ambitious efforts at multi-sector or multi-agency planning have

⁶⁴ In the UK, for example, there has in recent years been more attention to the lack of “joined-up thinking” about issues of poverty and social exclusion: see Oppenheim 1998.

tended to fail. In holistic approaches to planning it is better to start small, achieve initial successes in order to establish credibility and enthusiasm, and then expand in stages. The actors involved need to develop clear, short- to medium-term goals; allocate tasks to meet these goals; and build upon these successes to address more complex problems⁶⁵.

- Tempting although it may be, it is best to avoid delegating responsibility for integrated planning problems to separate “super-institutions” created specifically for the task. Experience suggests that these are either ineffectual in the short term (unable to assert themselves in relationships with established line structures and local government) or unproductive and unsustainable in the long term (failing to influence the practices of parallel mainstream structures, and sustained only by donor funds). This is especially likely when, as in the case of IRD or river basin development, integrated planning bodies take the form of regional structures which attempt to claim (but in fact often merely duplicate) the responsibilities of the existing, regional departments of national ministries. New bodies should instead be given responsibility for co-ordinating the relevant elements of existing organisations.
- Even with these more limited goals it is necessary to reign in ambition. Attempting to orchestrate integrated implementation is often too complex and cumbersome for existing structures. It is better to agree upon an analysis of the problem and, on this basis, agree upon a division of tasks between the various organisations involved. These contributions to the overall goal, agreed amongst partners, should be semi-independent (although sequencing will require some tasks to be implemented before others can begin). Integrated planning institutions should thus see their primary role as encouraging cross-ministerial analysis and obtaining agreement on the division of labour to tackle inter-sectoral problems. This is encapsulated in the advice to planners to pursue “integrated planning but not integrated implementation”⁶⁶.
- There can be problems with this approach too: it predisposes those involved towards perceiving inter-sectoral planning as a series of clearly defined steps (analysis, division of tasks, implementation by existing authorities according to this agreed plan), when it should more properly be seen as a continuous and recursive process. It is necessary to institutionalise the process of co-ordinated planning, with successive rounds of analysis, allocation of tasks, implementation and evaluation, driven by the co-ordinating body. This requires both regular inter-ministerial meetings and improvements in routine communication between different government institutions. Independent “policing” bodies – perhaps a committee reporting directly to the Prime Minister’s office, as in the case of river basin planning in the Philippines, or a capable local grassroots organisation – can be used to oversee progress, both in inter-ministerial and central-local co-ordination.

⁶⁵ Maxwell 1997 p. 524

⁶⁶ Maxwell 1997 p. 522.

- In pursuing integration / holism in planning, it is necessary to invest effort in changing the work culture of the organisation(s) involved. Most governments or ODA agencies can be categorised as role cultures, based on clearly demarcated duties reflecting technical and/or statutory specialisations. Inter-organisational partnerships formed to address inter-sectoral problems require a move away from a rigid role culture in the direction of a team-based, objective-oriented task culture.

100 There is some overlap between these prescriptions (or, to be less didactic, observations) and those which emerge from a review of the precepts of target-based planning. Targets can serve as the locus for national ownership of policy and donor co-ordination. But, as top-down influences upon the planning and policy process, targets can also distort decision-making. The most influential targets tend to be those which are determined at the international level: there is a danger that, as national governments and the country managers of bilateral and multilateral agencies attempt to incorporate these targets in their planning processes, agreement on goals (essential for co-ordination and integrated planning) slips into blue-print planning. It is necessary to remember that:

- The use of global targets based around measurable indicators can serve to obscure particular national and local variations around a global problem. Targets will be most useful if they are derived or operationalised in a consultative or participatory manner: ownership of the analysis both improves the quality of that analysis and strengthens commitment to the targets which emerge from it.
- Actions which are chosen because they are most likely to result in desirable changes are not always be exactly the same as actions which are most likely to result in *measurable* changes. There is a danger that a “one size fits all” application of targets can bias planning decisions away from the former and towards the latter.
- At worst, emphasis upon targets may divert limited resources into measurement rather than action.
- Donors using targets to guide the work they execute in partnership with governments need to walk a careful path. They need to use targets to drive action, but must simultaneously remain open to the possibility that targets may be inappropriate or unmeasurable, or may come to be so in the future.
- Targets should be pitched to encourage all partners to strive harder for essential improvements, but not pitched at an unattainable level, which will only serve to discourage efforts. They need to be based upon a realistic appraisal of the likelihood that they might be achieved.

CHAPTER THREE: SCALING –UP AND DONOR CO-OPERATION⁶⁷

Introduction

- 101 One of the key insights underlying the search for a Comprehensive Development Framework is that “there is much too little co-ordination of effort, much too much suspicion between participants and in many cases a simple absence of a framework to co-ordinate and bring together under Government guidance an agreed set of objectives and effective and accountable programmes”⁶⁸. The budget process provides one key focus for better integration of Government and donor efforts⁶⁹. This short paper discusses some examples of attempts to develop the budget process at macro and sector level as a framework to co-ordinate Government and donor efforts more closely in support of agreed objectives. The intention is to identify relevant experiences from which lessons may be derived for the design of the CDF. Most of the examples are drawn from African experience, though many of the lessons and experiences would be relevant in other aid dependent countries.
- 102 It is worth noting at this point that other donor actors are also engaged in strategic efforts to improving donor co-ordination and coherence. It is important that, in promoting the evolution of the CDF, the Bank acknowledges and seeks to link up with these other donors and the processes they have initiated. The attempt to achieve greater co-ordination between the various elements of the UN development system through country-level UN Development Assistance Frameworks (UNDAFs) is one of the most important of these experiments, and one which World Bank managers need to account for (and learn from). The basic rationale of the UNDAF approach and some early conclusions on its effectiveness are included as Annex 3.1.
- 103 The first section discusses some examples of countries which have sought to develop the budget process by placing resource allocation decisions within a wider context of establishing a clear view of the role of the state. The second discusses the experience with introducing Medium Term Expenditure Frameworks, and specifically attempts to integrate donors within the budget framework. The third discusses experience with Sector Wide Approaches (SWAPs), as an example of an approach to co-ordinating Government and donor efforts under the leadership of Government. In all three sections, the paper focuses on the key CDF concerns of achieving a holistic approach, owned by Government, supported in a spirit of partnership, with a strong emphasis on achieving results. Some conclusions are summarised at the end.

⁶⁷ ODI, Centre for Aid and Public Expenditure.

⁶⁸ Wolfensohn, 1999, p. 21.

⁶⁹ Foster and Merotto 1997.

Wider Context

- 104 Both Government and donor efforts need to be set in the context of a clear vision of the role which the state will attempt to play relative to the roles of other actors such as the private and NGO sectors. In the 1970s, this would have been set out in a National Development Plan. In the 1980s and for much of the 1990s, in many of the poorest counties the Bank and Fund have led an overall policy dialogue with Government on behalf of the donors. The Policy Framework Paper (the PFP) which is negotiated with Government is often seen as the over-arching document setting out the agreed programme of policy reform. However, the PFP process has been seen as over-dominated by the Bretton Woods institutions. It would need considerable reform before it could serve as the basis for a CDF style partnership between the government, the Fund and the Bank, let alone other development partners such as civil society, and the private and NGO sectors. In the perception of many ministers and senior officials “it has become a rather routine process whereby the Fund brings uniform drafts (with spaces to be filled) from Washington, in which even matters of language and form are cast in colorless stone... the PFP document has become so uniform – it is difficult to distinguish one from the other”⁷⁰. These criticisms have evoked a constructive response from the Fund and the Bank. Both institutions are placing increased emphasis on evidence of ownership and commitment, and promoting a more participatory approach in a number of countries on a pilot basis. There is increasing recognition of the need for a broader process for building a national consensus around where the country is going, and for the role of Government in helping it to get there.
- 105 Ghana is one country which has established a clear policy framework, based on the “Vision 2020” policy statement⁷¹. This was approved by Parliament, and is widely known and quoted in the country. Though the statement itself is ambitious and is not linked to resources, it has provided the policy framework for civil service and budgetary reform, both of which are linked to resource allocation via the Medium Term Expenditure Framework (MTEF). The Civil Service Performance Improvement Programme (CSPIP) has involved looking carefully at the role of each Government ministry and department, informed by a series of beneficiary assessments to determine what the public wants and what it presently gets from Government. The CSPIP exercise is also linked to the MTEF, which sets out a rolling three year framework for the budget. The MTEF asks Departments to set out what they want to achieve and how they will achieve it, formalised in performance ‘contracts’, with the promise - and threat - that resources will be linked to performance. This cost centre approach cascades down to individual cost-centre managers within each line ministry or agency⁷². The MTEF is also working to bring donor funding increasingly within the budget process, ensuring that donor flows are taken into account when resources are allocated. The MTEF process establishes the overall resource envelope within which sector wide approaches have been developed in a number of sectors, and are being implemented with

⁷⁰ Botchwey *et al* (1998), p. 40.

⁷¹ Government of Ghana (1995).

⁷² Earlier experience of performance contracts in the context of public enterprise reform in low-income countries is not especially encouraging, however. See World Bank (1997), p. 90.

Government and donor resources⁷³. This resource allocation process is also supported by one of the most developed poverty monitoring systems in Africa, featuring both household expenditure surveys and large CWIQ surveys which give feedback on core welfare indicators and views of the population on Government services⁷⁴.

106 The Ghana experience, though encouraging in many respects, should not be oversold. The run up to elections has been associated with inflationary increases in public expenditure, which can undermine the credibility of medium-term budget planning. There have been disagreements between Government and donors on spending priorities, notably over regional hospitals. Poverty monitoring data has not so far been central to policy decisions, though actions are in hand to improve the relevance and timeliness of evidence-based policy analysis. The MTEF and the sector programmes are still struggling with the problems of how to link resources to meaningful indicators of achievement. The focus on service delivery needs to be strengthened⁷⁵. Nevertheless, there is something to be learned from bringing together the various levels of policy from the macro to the delivery at sector level, and using the MTEF and sector programmes to ensure all actors are pulling in the same direction.

107 Uganda also has a clear vision of the public sector role in poverty eradication, linked to a quite well developed process of consultation. The Poverty Eradication Action Plan involved wide consultation with actors inside and outside Government. Consultation has been extended directly to the poor via the Uganda Participatory Poverty Assessment Programme located in the Ministry of Finance Planning and Economic Development. This aims to institutionalise a participatory approach to poverty planning and monitoring down to district level⁷⁶. Uganda was also one of the first countries, together with Tanzania, to attempt to implement the SPA public finance management guidance⁷⁷. This involved the introduction of a medium term expenditure framework incorporating Government and donor flows, just as in Ghana. The main innovation since 1998 has been to include a process of annual consultation on the medium term budget framework with the donor community and with civil society⁷⁸. One positive consequence of this open process was a dialogue with the IMF on the extent to which donor flows could be incorporated in higher Government spending⁷⁹. At the 1998 meeting, the Government set out a “high” scenario, showing how additional donor commitments would be used to fund higher spending on poverty programmes. Donors responded to this by making increased commitments of on-budget

⁷³ Booth (forthcoming), Muggeridge (1999), Robson *et al.* (1999).

⁷⁴ Booth (forthcoming), Strobe (1999).

⁷⁵ For a health sector example, see Asamoah-Baah and Smithson (1999).

⁷⁶ Goetz and Jenkins (1998).

⁷⁷ The SPA 5 (1999) document places considerable emphasis on implementing the SPA public finance management guidance, and discusses the Uganda, Tanzania and Ghana cases. For discussion of the evolution and application of the guidance, see GTZ (1996); SPA (1997); Moon (1998).

⁷⁸ Tumusiime-Mutebile (1998).

⁷⁹ On the issues surrounding the treatment of future aid flows in the budget projections for the IMF programmes see Foster and Thomas (1998). For the specific Uganda case, see Bevan (1998).

support, multi-year in some cases⁸⁰. Though no direct causal link can be proved, the IMF did in fact agree to a more accommodating fiscal stance which allowed higher donor flows to be spent on the poverty programmes⁸¹. The poverty programmes have been largely protected, despite pressures for higher defence spending. Resources freed through the HIPC debt initiative have been used to create a Poverty Action Fund, which is being used in order to direct additional resources to the poverty-focused budgets of the line ministries⁸².

108 Uganda has also developed a number of information systems for feeding policy relevant information back to the decision-makers, and has a good track record in taking action on them. A tracking study⁸³ revealed that resources intended for primary health and primary education were not being used as intended. However, Government took a number of vigorous actions to combat the problem, mainly by increasing transparency. Fund transfers to district level are publicised in the press. Some grants to primary schools are now made automatically on a per pupil basis, and financial and other resources received have to be displayed at the school, together with a list of staff employed there. Though it is too early to assess the impact, the hope is that increased access to information will empower those who should benefit from services to ensure that funds are not diverted. A further favourable feature of the Uganda situation is the location within the Ministry of Finance of the poverty unit, which carried out the Participatory Poverty Assessment. This location has helped to ensure ownership, and to ensure that they are consulted on policy issues.

109 As with Ghana, it would be foolish to claim too much for the example: the quality of public expenditure in Uganda remains weak, and corruption is widespread, reflecting in part the legacy of low salaries. Nevertheless, the structures for a constructive dialogue, and for identifying and addressing problems have been put in place, and those structures may have lessons for others while recognising that performance still has far to go.

110 A third example concerns Rwanda. The difficult political, humanitarian, and economic legacy following the genocide required special measures to enable the new Government to deliver some quick improvements to help cement reconciliation. A traditional IMF approach would not have permitted the growth of spending required for this, especially recurrent spending given fears of sustainability. The DFID, led by Secretary of State Claire Short, have attempted to address this problem by making a long-term commitment to support Rwanda with flexible finance over a ten year planning horizon. This

⁸⁰ e.g. DFID shifted general budget support to a two-year time frame, and made a five year commitment of budget support to the education sector.

⁸¹ Tumusiime-Mutebile (1998) explains that the inclusion of future donor funding was vital in the IMF agreement to increase the sustainable budget deficit ceiling. It is probable that Bevan's (1998) macro-economic analysis of the Uganda IMF programme was also influential. This suggested macro stability was consistent with using future aid flows to finance an increase of the budget deficit by 2% of GDP over the previous IMF ceiling.

⁸² See Goetz and Jenkins (1998).

⁸³ Economic Policy Research Centre and Management Systems and Economic Consultants Ltd (1996).

is governed by a protocol agreed between the two Governments. It commits the UK Government to provide £30mn in flexible assistance over a three year period, and “to remain engaged at least at the same financial level” for a period of “at least ten years”⁸⁴. The UK commitment is conditional on Government of Rwanda’s continued commitment to national reconciliation, good governance, sustainable macro-economic stability, and actions on poverty reduction and human resource development. A number of indicators are proposed for jointly reviewing progress and commitment against each of these issues. Though not unconditional, the willingness to make this unprecedented long-term indication of future support has been one of the factors which has persuaded the IMF to relax fiscal targets, with donor funds sustaining higher levels of recurrent spending than would otherwise be feasible. Other donors including the EU have also responded, and DFID are sponsoring a meeting in July 1999 to seek to expand the donor funding. This is a good example of a holistic approach, which required political and development factors to be jointly considered. The process has been high risk on all sides, in a situation where low-risk alternatives were not available. The key point has been the need for transparent dialogue to sustain long-term commitment, and for donors to provide support in ways, which assist the rebuilding of state capacity while delivering early poverty reduction.

- 111 The problems of accountability for donor funds loom large in Rwanda, where state capacity is weak. They are being addressed by developing capacity within Government, rather than setting up parallel structures. Accountability for the use of funds is secured by supporting Government accounting and audit capacity. The importance of results orientation is also recognised, by supporting surveys of poverty, tracking studies of expenditures, and customer surveys to determine access to services and evidence of their quality⁸⁵.
- 112 Moving towards a more strategic and medium-term approach to policy and resource allocation is not without difficulty. In some countries, expenditure does not follow even the annual budget at all closely. The attempt in Tanzania to introduce an MTEF has yet to gain credibility⁸⁶, and even in Uganda the discussion has tended to be dominated by the first year of the budget framework. Sector programme managers have not always respected the MTEF disciplines: the 1998 Uganda education sector investment plan⁸⁷, which makes explicit linkage to the MTEF, contrasts with the education sector wide approach in Tanzania. This had not, at the March 1999 appraisal, succeeded in submitting a funding proposal consistent with the MTEF resource envelope, despite having been four years in gestation, and having had four separate consultant-supported financial projection consultancies⁸⁸.
- 113 One of the key lessons from this experience is that a comprehensive framework only becomes meaningful when it is linked to the budget

⁸⁴ Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Rwanda (1999).

⁸⁵ Department for International Development (1998).

⁸⁶ See for example Moon (1998).

⁸⁷ See Government of Uganda (1998), also quoted in Ratcliffe (1999).

⁸⁸ Chijoriga *et al* (1999).

constraint, and obliges choices to be made on priorities and sequencing.

The MTEF approach and the role of donors

- 114 One major benefit of the MTEF approach is that it can put the Government more in control, by bringing donor resources within a clear framework of prioritisation. This implies that co-ordinated efforts by Government and donors to implement an MTEF will only be successful if there is strong domestic backing for the policy. This section provides some examples of how donor actions can support or undermine government ownership.
- 115 The location of ownership within Government matters. It is usually the Ministry of Finance which “owns” the overall prioritised budget. The donors have an important role in supporting the role of the Ministry of Finance in establishing overall national priorities. This requires donors to respect nationally agreed priorities and not seek to push their own project ideas outside that framework. At an even more basic level, it requires them to provide accurate and timely information on their own financing intentions and disbursements, something which donors have been shamefully poor at providing⁸⁹.
- 116 The line ministries have an incentive not to respect fiscal disciplines, preferring to keep open the option to seek additional donor support beyond that allocated in the MTEF. This problem is most acute in those sectors most in need of reform. It has proved easier to reach agreement on the role of the state in expanding sectors than in declining ones such as agriculture⁹⁰, where more is being left to the private sector. Donors can avoid undermining national priorities if they ensure that Finance are kept fully informed, and that the process of programme design and approval is fully integrated with the budget. Greater respect for the budget process is critical if public spending goals are to be met and sustained. The support of the donors is more likely to be forthcoming if national expenditure priorities can be shown to be the outcome of an accountable and participatory process for reaching agreement on objectives, linked to the resources needed to achieve them (Box 3.1).

⁸⁹ This is reflected, for example, in donors’ unwillingness to disclose information on their funding intentions to recent consultancy work in Tanzania carried out by Kessy.

⁹⁰ See for example Jones (1997) on the particular difficulties in agriculture.

Box 3.1: Donor discipline and the budget process: Uganda and Tanzania

In Uganda and Tanzania efforts have been made to bring donor funding more into the budget process. Both countries have established sector working groups, which co-ordinate between centre and line agencies, and which in future will prepare draft sector frameworks for the MTEF. Government is intended to lead the groups, with donors providing technical advice where needed. (This has proved more effective in some sectors than others: the author participated in a March 1999 education sector group meeting in Tanzania, tasked with preparing the education sector bid for MTEF, but which had no education ministry participation.)

Secondly, the Public Expenditure Review process from 1998 took the form of co-ordinated budget workshops which were focused on preparing and discussing medium-term budget submissions. Prior to 1998 the public expenditure review had been a donor driven exercise not linked to the Government decision-making process. The workshops raised the awareness of all parties of broader intersectoral allocation issues. Donors and consultants were encouraged to act as facilitators and advisors of a process fully integrated with the budget cycle, rather than as lobbyist for particular sectors or projects (see Moon 1998 p. 15). The intention is to involve both partners in a process which leads to expenditure programmes which secure Government and donor support. The Government cedes some influence to the donors, but should achieve more influence on its own budget by avoiding the fragmentation of numerous donor-driven projects inconsistent with the framework. (See Joekees (1999) for a discussion of Benin, where high aid dependency and the lack of donor co-ordination undermines the budget process.) The jury is perhaps still out on whether Governments can succeed in disciplining the donors in this way: Uganda's experience is encouraging, Tanzania's less so.

Sector Wide Approaches

- 117 SWAPs aim to establish a single sector policy and expenditure programme, under Government leadership, adopting common approaches across the sector, and progressing towards relying on Government procedures to disburse and account for all funds. The approach places great emphasis on the importance of Government ownership, on partnership, on outcome rather than input orientation, and on adopting a holistic (“sector wide”) approach. The experience should therefore yield lessons for the still more ambitious CDF approach.
- 118 The Ethiopian Education Sector Development Programme (ESDP) is one of the cases where government ownership has been strongest. The decision to implement an education sector programme was taken by Government, without pressure from the donor community. Only after the decision was made were donors asked for support. Government maintained ownership throughout the sector programme preparation. Most relevant documents were written by Ethiopians. Technical specialists from donors contributed advice, but did not impose their views on the contents of the programme⁹¹. The Ethiopian ESDP also illustrates the trade-offs between local ownership and openness to dialogue with funding partners. The Government has been reluctant to allow

⁹¹ For more details on the Ethiopian ESDP see Martin *et al* (1999), and the discussion in Norad (1999). The Ghana health sector provides another example where government leadership in the reform process was vital. In managing the transition to a sector programme, it was essential that the Ministry of Health maintained leadership otherwise, Asamoah-Baah and Smithson (1999, p. 20) argue “the strategic direction would have been quickly obscured by competing [donor] agency interests”.

donors to influence the policy and resource allocation process, especially with regard to the recurrent budget, and some key issues relevant to the quality of education have yet to be adequately addressed.

- 119 The contrast between the experiences in the health sector in Zambia and Ghana health suggests the importance of building a broad base for ownership if reforms are to be sustained (Box 3.2). Communication alone will not lead to action unless the message is clear and credible, and accompanied by positive incentives. The Ghana case represented a fortunate combination of rising budgets and increased delegation, which empowered and enthused district level staff. The Bangladesh Health and Population Sector Programme has also devoted considerable effort to explaining the objectives and new procedures to staff. However, the messages were more mixed. Delay in resolving the key staff concern in securing the position of those currently on the development budget may have undermined confidence in other measures. Powers have been redistributed within the line ministry, but without significant delegation down the line. Procedures have been changed but remain subject to inter-departmental dispute, while the new structures and procedures are themselves quite complex. The reported lack of staff understanding and knowledge of the HPSP may thus not reflect so much a lack of communication effort as staff reluctance to absorb a message which was perceived as complex, which might yet be revised, and which was perceived as bringing few benefits to them, or their work⁹².

Box 3.2: The need for ownership: health sector reforms in Zambia and Ghana

In Zambia there was strong high-level political and administrative backing for the health sector programme. It survived a change of Minister. The Ministry was involved jointly with donors in determining conditionality and used the conditions to protect key reforms and health expenditures against domestic opposition. However, participation in the preparation of the programme was weak. Other Ministries, NGOs, private health providers, some Ministry of Health staff and local communities were left out of the consultations (Jones 1997b). As a consequence local ownership was not broad enough to prevent reversals in policies. When the sector wide approach appeared to fail to deliver, government expenditure switched back from primary health to hospital funding (see Jones 1999).

In contrast reforms in the Ghanaian health sector benefited from broad local ownership. This was achieved through regular consultations with stakeholders from all levels of the central Ministry and the district level, as well as with key representatives from the central government agencies. The considerable effort devoted to two-way communication with staff at all levels has been sustained, and is a major strength of the programme. The May 1999 annual review involved a wide cross-section of staff, and field visits confirmed strong understanding and commitment down to district level and below. In order to keep the process manageable, large six monthly meetings with strong involvement by local stakeholders had to be supplemented with smaller 'business meetings' at which concerns of Government and donor partners could be raised openly, and addressed in greater detail (observation based on participation in 1999 health SIP review.).

- 120 The Ghana health sector provides a good example of a partnership between government and donors. With the introduction of a sector wide approach, the Ministry of Health became more assertive in controlling and co-ordinating donors. It urged donors to work within existing government structures, rather

⁹² Observations based on participation in April 1999 HPSP Annual Review.

than creating parallel systems. This move coincided with key donors such as the World Bank, DFID, Danida, the EC and USAID becoming more flexible in their funding and more aware of sector concerns than narrow project interests⁹³. This flexibility on the part of donors also included a willingness to give time and space for commitment in the Ghana government to develop⁹⁴. Achieving a sector wide approach has taken time as trust and respect needs to be built on both sides. It doesn't allow for quick fixes, and has been built on the foundations of previous work. Before the sector programme in health was started Ghana had already gone through "10 years of institutional development, 4 years of major policy/strategy work, 3 years of strengthening of core management functions, 2 years of negotiations, planning and design, and 1 year of slippage and delays"⁹⁵.

121 The implication to be drawn from this is that the SWAP should not be conceived as a blueprint which has all activities defined in advance and all starting from day one. Premature implementation of complex components may prove ineffective or even counter-productive. The SWAP should rather be thought of as a process. The definition of the policy framework and the commencement of institution building needs to start early. The definition of the expenditure priorities and programme will also be scheduled early, but may initially be supported in part from project support. Progress towards common procedures should be sequenced to build up as capacity and confidence allows. The expenditure programmes should be built around the MTEF, with only the first year firm, and with the planning horizon rolled forward each year. The SWAP should be an approach, a new way of doing business which, if successful, will have neither start nor end date, though it will have time bound objectives and indicators for measuring progress.

122 A consensus on the policy framework between Government and the donor partners is the one critical precondition. Capacity to implement can be built, but there is no substitute for lack of agreement on aims and instruments. Where this key pre-condition is not met, whether due to local capacity constraints or lack of consensus⁹⁶ on policies⁹⁷, scepticism about the sector-wide approach is inevitable. In some countries this scepticism is reinforced by the perceived active promotion of the approach by the donors, without necessarily taking account of local capacities, or even objectives. A lesson for the CDF which emerges strongly from the SWAP experience is the need to allow time and space for local consensus on policy to be formed without

⁹³ For more details on partnership in the Ghanaian health sector see Asamoah-Baah and Smithson (1999).

⁹⁴ The planning phase of the Ethiopian Education Sector Development Programme (ESDP) provides another positive example of a genuine partnership between government and donors, with government in the driving seat. There were no predetermined policy prescriptions; in the words of the Ethiopian Head of the Regional Education Bureau: "Nothing was imposed. Advice and ideas were provided by the mission members, but the Regional Education Bureau took the decisions. The only thing that limited our freedom was our own capacity." "We had the right to say "No!" at any point."

⁹⁵ presentation by Paul Smithson to NORAD conference, p. 14.

⁹⁶ Within government, between governments and donors and between donors.

⁹⁷ Jones (1997a), p. 2, mentions these as concerns regarding the implementation of a Sector Investment Programme.

driving too strongly towards ‘closure.’ It has often taken longer than first anticipated, and the initial agreement requires constant maintenance by further discussion and promotion as personalities change and events throw new challenges in the path of the programme. This can be a problem if donors become tied too early to an inflexible approval schedule. Stakeholder participation can be formulaic. This absence of a real partnership often leads to three problems for the implementation of the sector programme: an ill-defined role of the state⁹⁸, not winning the backing of senior officials and not having representation of the poor⁹⁹.

- 123 In the case of the Zambia agriculture sector programme the absence of a genuine partnership was evident in several ways¹⁰⁰. To begin with USAID TA drafted the original MAFF policy document coinciding with contradictory policy announcements from government, which wanted a substantial expansion of the role of MAFF. At a later stage local perception was that particularly during the appraisal stages the World Bank was dominating proceedings. Specific examples of this were the sheer weight of numbers of WB staff involved in some of the appraisal missions, and the fact that aide-memoires arising out of each supervision mission were written exclusively by Bank/donor staff.
- 124 Partnership can also suffer due to lack of action from the government side. The education sector development programme in Tanzania provides an example of weakening government initiative. During 1996 and 1997 a strong government-donor partnership seemed to develop. However, after a common sector development work programme was endorsed and after many donors signed up to a sector development partnership paper in early 1998 the process became undone and implementation has yet to commence. Unlike in Ghana, government lost the leadership of the sector programme. Government-donor meetings were often chaired by mid-level technical staff, there was a fast turnover in policy making staff, potential reformers in the Ministry became marginalised as vested interests recognised the impact of reform, and hard decisions on education expenditure and policy were delayed¹⁰¹. The Ugandan experience suggests that it is worth waiting with the implementation of a SWAP until the senior management has internalised the process¹⁰².
- 125 The key lessons from experiences of partnership approaches in sector-wide approaches are that there is mutual benefit in a genuine partnership, and that this partnership has to recognise (and help to alleviate) the capacity constraints of the recipient. The pace of reform needs to be set by governments.

⁹⁸ The problems of this have been discussed above in the section on Wider Context.

⁹⁹ See Jones (1999).

¹⁰⁰ Jones (1997b).

¹⁰¹ See Ratcliffe (1999), p. 41.

¹⁰² *Ibid*, p. 40/41.

Brief conclusion: lessons for the CDF

- 126 Interaction between Government and donors occurs at the level of the policy framework, the overall budget, the sector programmes, and project interventions.
- 127 Making a comprehensive framework effective will require Government to articulate a clear vision of the role of the State. If this is to have more than rhetorical significance, it should be linked to resources, preferably through a Medium Term budget process as in Ghana and Uganda. Donor support can perhaps facilitate and provide technical support, but Government must lead and own the process.
- 128 With the vision for state action established, the MTEF approach can provide the overall framework for prioritising expenditures by Government and donors, and the envelope for sector and project interventions. In return for a transparent dialogue which permits legitimate donor influence, donors should ensure that their interventions are developed fully in accordance with the budget process. To enable Governments to make optimal use of available resources, donor funding should be longer term while the conditions of partnership are in place, and in flexible form.
- 129 Prioritising expenditures within an MTEF is a political process, but donors are likely to wish to judge success by how effectively Government action reduces poverty. There is no general guidance on how best to allocate resources between sectors such as roads and health. Even re-allocation of resources to poor regions can be problematic: it may be more effective to invest in regions of higher potential and help people to move to them. It may be easier to shift the budget than to shift well motivated staff able to make effective use of it. Studies often fail to find any clear relationship between funding levels and the quality or quantity of services provided¹⁰³. Some hypotheses on how to make the budget process more pro-poor would be:
- Leadership commitment is essential. This might well be encouraged by actions which bring poverty to the attention of the political leadership in ways which are difficult to ignore. Good information and analysis made widely available in accessible formats, allied to a political process in which power is contested and the poor have a voice, may be significant. The election process, for example, clearly had an impact on the commitment to universal primary education in both Uganda and Malawi.
 - Transparency is important, but on its own may not help the poor given that non-poor groups are better organised, whether at national level, or in terms of local Government: Trade Unions may represent the well off formal sector workers, local Rotary or other charities may prioritise secondary over primary education. There may be good returns from training groups

¹⁰³ For example, there is evidence from South Africa that some districts receiving increased funding did not deliver more or better services, while those losing funds often maintained or in some cases improved services. (Discussions at DFID-financed seminar on “Good Practice in public expenditure management,” Oxford, July 1999).

representing the poor to enable them to make more effective demands on Government resources, at national or local level..

- Poverty spending is most likely to be effective when those who spend are directly accountable to those intended to benefit. This works best at community level, with power over resources vested in e.g. parent committees for the school, or water committees. It can also be made to work for health services, as in the Bamako initiative, though market failure due to asymmetric information and less regular contact cause problems. The formal local Government structure may be less responsive than the national one to poverty concerns, with fewer protections from financial malpractice, one of the reasons why Uganda opted for conditional grants and wide publicity on how they were intended to be spent. Even when not given financial power, transparency allied to clear information on their entitlements and on actual financial transfers, as in Uganda, can enable the general population to act as an alternative route for enforcing accountability.
- A balance needs to be struck between a national budget process which allocates resources between priorities while remaining responsive to local needs. Experience suggests that centralised detailed allocation should be avoided. Local managers need a clear strategy they are expected to deliver, and a hard budget constraint to force choices, but flexibility as to how best to use the budget. In more sophisticated systems, it may be feasible to go some way towards holding budget managers accountable for achieving specific outcomes or outputs, perhaps linked to a defined service standard. The defined service standard needs to be defined in affordable terms, however: essential services packages defined in health sector SWAPs have too often been beyond the scope of the available budget.
- Donors may need to adapt their procedures to enable them to support a process in which detailed budget allocation is delegated.

130 For complex development processes to be sustained, ownership needs to be broad as well as committed. Some SWAPs have run into problems by underestimating the time required to build and sustain a sufficient consensus to enable programmes to be implemented successfully. The ambitious CDF approach will require herculean efforts of consensus building if it is to be more than a top-level exercise not connected to the realities of implementation.

131 A meaningful CDF will need to be informed by good evidence and analysis, especially on poverty and what is needed to reduce it. A more effective response to poverty concerns may be encouraged by centrally locating poverty analysis in the Finance Ministry, with stress on linking analysis to budget decisions, and on encouraging transparency to empower people to hold Government to account. Outcomes may move too slowly for direct input to policy performance reviews, but there are good examples of the use of CWIQ surveys, PPAs, service delivery surveys and tracking studies to generate proxy indicators likely to be correlated with ultimate outcomes.

CONCLUSIONS

132 At a recent meeting, a senior World Bank official remarked privately that most Bank officials over the age of 50 were ‘cynical’ about the CDF, but that many younger people were enthusiastic. This paper is written by a team containing some people over 50! However, the messages of the paper are largely positive. The challenges posed by the CDF are significant, but not new, and therefore not unknown. The evidence suggests that there are solutions to many of the main problems that the CDF will pose.

133 To summarise the main conclusions:

134 *First*, the four pillars (a long term, holistic approach, ownership, partnership, orientation to results) make sense in principle.

135 *Second*, Wolfensohn’s paper rightly recognises that there can be no blue-prints, and that a process, learning approach will be needed.

136 *Third*, there are new ‘technologies’ available which will help in the implementation of the CDF, particularly the use of Medium Term Expenditure Frameworks and Sector Wide Approaches.

137 *Fourth*, it is possible from the literature and experience reviewed to synthesise many “dos and don’ts” for the CDF – these are listed in Box 4.1.

Box 4.1: Dos and Don’ts for the CDF

DOS

- Encourage a broad-based debate in the country
- Expect the Government to develop a strategic development vision
- Talk to the Government about areas of agreement and disagreement
- Set SMART targets
- Reinforce Government leadership (e.g. through the Ministry of Finance)
- Invest in training and capacity-building
- Find ways to disburse quickly
- Revise plans frequently
- Build two-way accountability

DON'TS

- Be naïve about the expression of a single national consensus. A statement of consensus is a necessary condition for the initiation of donor co-operation: but this consensus will always be contested and subject to change in the future.
- Expect to agree with every word
- Impose rigid conditionalities
- Simply replicate international targets, without local adaptation
- Develop piece-meal plans with sectoral ministries
- Make unrealistic demands for data, accounts etc . . .
- Insist on the perfect plan before starting to implement
- Insist on a rigid logical framework
- Set performance standards for recipients, without also setting performance standards for donors

138 Beyond this list, there are at least four items of unfinished business that the Bank will need to address in dealing with the CDF:

139 *First*, there are important questions about what form the Bank's partnership will take with countries where there is serious disagreement on the aims or instruments of development policy. Initial case studies are likely to pick off the "low-hanging fruit". Does the Bank need to think systematically about the more difficult cases?

140 *Secondly*, there is a challenge to the Bank to prepare a partnership code of conduct. A written articulation of Bank policy in this area would help to maintain the focus upon new ways of doing business, and reduce the risk of falling back into reliance upon conditionalities, which have often proved unproductive.

141 *Thirdly*, the Bank's own consultations on partnership revealed a strong desire by developing countries for a dialogue which went beyond aid, to include in addition issues such as debt relief and trade. How can these international issues be incorporated in the CDF?

142 *Fourthly*, there are areas that will not be reached by new procedures such as MTEF and SWAPS, and where codes of good practice are required.

143 Finally, it is important to emphasise that the analysis in this paper is partial, covering only three areas (albeit areas of major importance). There is a need for similar literature reviews on other aspects of the CDF. Possible candidates include work on donor co-ordination (with a particular focus upon relationships between the IMF and World Bank); UN reform and co-ordination; the role(s) to be played by civil society; and the conceptualisation of governance and security, at both a national and a global level.

Annex 1.1

Executive summary

(World Bank 1998 *Partnership for development: a discussion paper*)

The starting point for the Bank's partnership agenda is its relationship with developing countries, and the impact of its services on their development. The single most important theme running through the dialogue on development effectiveness is the need to put committed developing country governments, and their people, at the centre of their development process. Experience shows that developing country ownership of its development strategy is a necessary condition for development effectiveness and poverty reduction.

This paper proposes that the Bank's partnership agenda should be addressed toward attaining this goal. The strategy is to design, with developing country governments and official development institutions, a new approach to development assistance which convenes all major stakeholders around the country's development strategy, programs, and projects.

There is now considerable international support and consensus for these positions, and wide agreement that partnership is needed to improve the efficiency of development assistance and deliver more effective results on the ground. Our vision is that the developing country defines its national development strategy. Official development institutions determine their assistance strategies in support of this national strategy, and in consultation with each other.

The implementation of this partnership approach to development will depend on country-specific circumstances and the result of consultations with key stakeholders. Elements of this approach have already been tested in selected countries in several continents, with promising results. The broad elements of this partnership approach include:

- Promoting and encouraging national capacity and consensus building, through joint economic and sector work, and through consultative mechanisms led by the government, with participation of civil society, the private sector, and external partners;
- Aiming for a core national development strategy broadly owned by the country, with assistance from official development institutions, pledging their support at a meeting convened by the government – the “Development Partners Coalition”; and
- Arranging partnership frameworks between key development actors, based on shared objectives and comparative advantages in support of the country's national development strategy.

The paper also proposes short-term concrete actions. These actions include supporting national and subnational conferences on development strategy; revamping the consultative group process; developing partnership frameworks and opening a dialogue with partners on joint actions; and transforming the Bank's partnership culture.

Annex 1.2

A Stronger Compact for Effective Partnerships

(OECD / DAC 1986 *Shaping the 21st Century: The Contribution of Development Co-operation*)

We have stressed throughout this paper that each developing country and its people are ultimately responsible for their own development. Thus, the developing country is the necessary starting point for organising co-operation efforts, through relationships and mechanisms that reflect the particular local circumstances. Some developing countries will need special help in building the necessary capacities. Development co-operation at the regional level, and on sectoral lines, is also important. However, these approaches should complement and enrich efforts to strength national capacities for sustainable development.

As a basic principle, locally-owned country development strategies and targets should emerge from an open and collaborative dialogue by local authorities with civil society and with external partners, about their shared objectives and their respective contributions to the common enterprise. Each donor's programmes and activities should then operate with the framework of that locally-owned strategy in ways that respect and encourage strong local commitment, participation, capacity development and ownership.

While the particular elements of partnerships will vary considerably, it is possible to suggest areas in which undertakings might be considered by the partners as their commitments to shared objectives.

Joint responsibilities:

- create the conditions conducive to generating adequate resources for development;
- pursue policies that minimise the risks of violent conflict;
- strengthen protections at the domestic and international levels against corruption and illicit practices;
- open up wide scope for effective development contributions from throughout civil society;
- enlist the support of rapidly-developing countries and regional development mechanisms.

Developing country responsibilities:

- adhere to appropriate macroeconomic policies;
- commit to basic objectives of social development and increased participation, including gender equality;
- foster accountable government and the rule of law;
- strengthen human and institutional capacity;
- create a climate favourable to enterprise and the mobilisation of local savings for investment;
- carry out sound financial management, including efficient tax systems and productive public expenditure;
- maintain stable and co-operative relations with neighbours.

External partner responsibilities:

- provide reliable and appropriate assistance both to meet priority needs and to facilitate the mobilisation of additional resources to help achieve agreed performance targets;
- contribute to international trade and investment systems in ways that permit full opportunities to developing countries;
- adhere to agreed international guidelines for effective aid, and monitoring for continuous improvement;
- support strengthened capacities and increased participation in the developing country, avoiding the creation of aid-dependency;
- support access to information, technology and know-how;
- support coherent policies in other aspects of relations, including consistency in policies affecting human rights and the risks of violent conflict;
- work for better co-ordination of the international aid system among external partners, in support of developing countries' own strategies.

Annex 1.3

Strengthening Development Partnerships: A Working Checklist (OECD / DAC)

As part of the continuing work of the OECD's Development Assistance Committee (DAC) aimed at effective implementation of the Development Partnerships Strategy, a Forum of Development Partners was convened on 19 January 1998 in conjunction with the Committee's Senior Level Meeting. The Forum presentations focused on five partner countries, together with much other experience by DAC members *** led the Senior level participants to the following points as a working checklist to guide efforts toward improving partnerships, and simplifying and harmonising donor procedures.

1. Donors should encourage recipient partners to formulate their own development strategies - setting out the local priorities, plans and instruments for implementing such strategies. This process should systematically involve civil society, as well as consultation with external partners. Where such locally-owned strategies are compatible with internationally agreed goals, donors should work to implement their aid programmes in a co-ordinated manner on the basis of such locally owned strategies and accept their discipline.
2. Donors should stimulate and help strengthen recipient partner-led co-ordination of development co-operation. The capacity for local co-ordination (which can and should also strengthen the international process) may be improved by donors' own delegation of decision-making authority from headquarters to field missions. At the international level, the possible advantages and disadvantages of organising Consultative Group (and Round Table) meetings in the capitals of the recipient partners concerned, should be further tested in practice.
3. Transparency of donor and recipient partner interests and mutual trust should be increased through continuous dialogue, both informal and through systematic work on themes and sectors through standing sub-groups, preferably led by the host government.
4. External partners should agree in principle to adjust more to local procedures, where necessary helping recipient countries to bring their procedures and management capacities up to international standards. There may be useful DAC roles in identifying best practices and helping organise pilot exercises to move toward the simplification and harmonisation of procedures.
5. Practices involving tied aid are prominently identified among procedures that can impair local ownership and capacity-building, with substantial economic and credibility costs. The proposal for a DAC Recommendation to start with untying aid to Least Developed Countries could be a step toward improved partnerships in this area, yielding additional tangible benefits for partners from competitive bidding and from local procurement.
6. Donors share the objective of ending the proliferation of projects and providing their aid increasingly in forms of programme and budget assistance to support the country's strategic priorities for development. To this end, they need to help strengthen partner countries' capacities to manage such aid, and further test the various approaches and conditions under which they can pool their contributions in country funds for major sectors or key goals e.g., poverty eradication. The integration of aid spending into the overall budget context may require donors to manage their own significant inputs differently to help strengthen local revenue pools.
7. There is a widely felt need to support local capacity building by changing the existing modalities for providing technical co-operation, which often appears expensive and excessive, hampering true ownership and the use and development of local capacities.
8. The practices of joint monitoring and evaluation of development programmes by donor and recipient partners should be further developed and applied, with a view to learning together the lessons of achievements and failures.
9. Improving the coherence between external partners' development co-operation policies and their other policies (such as those affecting trade and investment) affecting recipient partners is clearly seen as increasingly important to help the developing countries concerned move toward reduced dependence on aid.
10. Innovative ways of financing should be constructed so as to have ODA play catalytic and leverage roles in generating and attracting other forms of domestic and foreign investment; the roles of grants, loans, forms of support for the local private sector, and "matching" contributions by beneficiaries merit further careful assessment and coherent policies.
11. External partners should continue to help lessen the debt burden of recipient partners; in this context, among others, the modality of various types of "debt swaps" should be considered.

Annex 3.1
An inclusive CDF:
co-ordination with the UN development system and learning from the UNDAF process

The theme of partnership and the need for donor co-ordination emphasised in the CDF is also central to the evolution of the UN Development Assistance Framework (UNDAF) approach¹⁰⁴. There are differences between the goals of the World Bank and those of the UN Development Group (UNDG): in particular, UNDAF is to a greater extent than the CDF first and foremost a tool for strategic planning at the country level, and it responds to a slightly different set of institutional problems (the need to co-ordinate the generally disparate work of a range of UN organisations, particularly through the harmonisation of programme cycles). Nonetheless there is a great deal of common ground between the two initiatives, particularly with regard to the concept of partnership, and much potential for co-operation and mutual learning.

This potential can be addressed at both global and country levels. Those devising UNDAFs in pilot countries will hopefully be able to contribute to the development of the CDF. In two of the eighteen UNDAF pilot countries (Mali and Vietnam) the Bank and UN have already co-operated closely on the development of country-level co-ordination mechanisms. These cases might provide a basic template for UN-Bank co-operation in the CDF pilot countries.

Comments from Vietnam and Mali (and, to a lesser extent, from other UNDAF pilot countries) identified the following elements as contributions to the effectiveness of the UN-Bank partnership at the country level:

- Close on-going working relationship and mutual respect (e.g. CG / roundtables, sector / thematic co-ordination groups, statistics and analysis);
- Shared recognition of added value brought by each party;
- Joint and reciprocal contribution to situation analysis (bringing the mandate and comparative advantage of each partner to bear);
- definition of the nature of the added value that a stronger partnership brings to Government;
- flexibility and commitment to a transparent working relationship by all parties¹⁰⁵.

As importantly, the evolution of the UNDAF approach in parallel to the evolution of the Bank-led CDF approach can be addressed at the conceptual and global level. It is highly desirable that the Bank and the UN, two of the most important actors in the international development system, develop their ideas in partnership rather than isolation or competition.

¹⁰⁴ UNDAF is defined by four criteria: that it is a strategic document sensitive to the needs of the partner country; that it is jointly owned by the UN and the partner government (explicitly identified as the dominant partner); that it should help the UN to identify those areas where it can contribute the most in any given country and programme cycle; and that it should provide the means of operationalising at the country level resolutions and initiatives passed at the global level (Adedeji *et al* 1998).

¹⁰⁵ Malik *et al* 1998 p. 10. Other UNDAF pilots include (as of November 1998): Guatemala, India, Kenya, Malawi, Morocco, Mozambique and Romania.

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1 World Bank 1998 b
1 World Bank 1998a.
1 for a discussion of the partnership theme in these documents, see Maxwell and Riddell 1998.
1 Lister 1988.
1 e.g. UK 1997.
1 DAC 1996.
1 DAC 1996 p. 14.
1 This section draws on Maxwell and Riddell 1998 pp. 260-1.
1 Lister 1988, Whiteman 1998.
1 Crawford 1996.
1 Bossuyt and Laporte 1994.
1 Specifically, the EU negotiations mandate identifies four 'fundamental principles' of partnership.
1 These are: (a) ownership, (b) participation and shared responsibility, (c) dialogue, contract rather
1 than conditionality, and (d) a differentiated approach, in which cooperation is tailored to a
1 partner's level of development (EU 1998 p. 3).
1 Maxwell 1996.
1 This section draws on Maxwell and Riddell 1998 pp. 262ff.
1 Goudie 1998 p. 8.
1 Riddell 1993 p. 4.
1 Burke 1998 pp. 4-5.
1 Butler and Gill 1999.
1 Maxwell and Riddell 1998 p. 265.
1 This paper draws upon *Aid and the Political Economy of Policy Change* (Killick 1998), which
1 provides a fuller statement of various of the arguments, and supporting evidence.
1 World Bank, 1991 p. 16
1 Kahler 1992 p. 115, Table 2.2.
1 Williamson 1994: see his Table 1, p. 563
1 Killick 1998 p. 90
1 see Killick 1998 chapter 2, also Collier 1995.
1 Mosley *et al.* 1991 p. 299.
1 Burnside and Dollar 1997, note 10.
1 World Bank 1994 p. 216.
1 Nelson 1990.
1 Berg *et al.* 1990 p. 227.
1 World Bank 1992 pp. 17-18.
1 Wade 1997 p. 32.
1 ODI, Centre for Aid and Public Expenditure.
1 Wolfensohn, 1999, p. 21.
1 Foster and Merotto 1997.
1 Botchwey *et al* (1998), p. 40.
1 Government of Ghana (1995).
1 Earlier experience of performance contracts in the context of public enterprise reform in low-
1 income countries is not especially encouraging, however. See World Bank (1997), p. 90.
1 Booth (forthcoming), Muggeridge (1999), Robson *et al.* (1999).
1 Booth (forthcoming), Strode (1999).
1 For a health sector example, see Asamoah-Baah and Smithson (1999).
1 Goetz and Jenkins (1998).
1 The SPA 5 (1999) document places considerable emphasis on implementing the SPA public
1 finance management guidance, and discusses the Uganda, Tanzania and Ghana cases. For
1 discussion of the evolution and application of the guidance, see GTZ (1996); SPA (1997); Moon
1 (1998).
1 Tumusiime-Mutebile (1998).
1 On the issues surrounding the treatment of future aid flows in the budget projections for the IMF
1 programmes see Foster and Thomas (1998). For the specific Uganda case, see Bevan (1998).
1 e.g. DFID shifted general budget support to a two-year time frame, and made a five year
1 commitment of budget support to the education sector.
1 Tumusiime-Mutebile (1998) explains that the inclusion of future donor funding was vital in the
1 IMF agreement to increase the sustainable budget deficit ceiling. It is probable that Bevan's
1 (1998) macro-economic analysis of the Uganda IMF programme was also influential. This

suggested macro stability was consistent with using future aid flows to finance an increase of the budget deficit by 2% of GDP over the previous IMF ceiling.

1 See Goetz and Jenkins (1998).

1 Economic Policy Research Centre and Management Systems and Economic Consultants Ltd (1996).

1 Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Rwanda (1999).

1 Department for International Development (1998).

1 See for example Moon (1998).

1 See Government of Uganda (1998), also quoted in Ratcliffe (1999).

1 Chijoriga *et al* (1999).

1 This is reflected, for example, in donors' unwillingness to disclose information on their funding intentions to recent consultancy work in Tanzania carried out by Kessy.

1 See for example Jones (1997) on the particular difficulties in agriculture.

1 For more details on the Ethiopian ESDP see Martin *et al* (1999), and the discussion in Norad (1999). The Ghana health sector provides another example where government leadership in the reform process was vital. In managing the transition to a sector programme, it was essential that the Ministry of Health maintained leadership otherwise, Asamoah-Baah and Smithson (1999, p. 20) argue "the strategic direction would have been quickly obscured by competing [donor] agency interests".

1 Observations based on participation in April 1999 HPSP Annual Review.

1 For more details on partnership in the Ghanaian health sector see Asamoah-Baah and Smithson (1999).

1 The planning phase of the Ethiopian Education Sector Development Programme (ESDP) provides another positive example of a genuine partnership between government and donors, with government in the driving seat. There were no predetermined policy prescriptions; in the words of the Ethiopian Head of the Regional Education Bureau: "Nothing was imposed. Advice and ideas were provided by the mission members, but the Regional Education Bureau took the decisions. The only thing that limited our freedom was our own capacity." "We had the right to say "No!" at any point."

1 presentation by Paul Smithson to NORAD conference, p. 14.

1 Within government, between governments and donors and between donors.

1 Jones (1997a), p. 2, mentions these as concerns regarding the implementation of a Sector Investment Programme.

1 The problems of this have been discussed above in the section on Wider Context.

1 See Jones (1999).

1 Jones (1997b).

1 See Ratcliffe (1999), p. 41.

1 *Ibid*, p. 40/41.

1 Maxwell 1997 p. 515. See also Scott 1998 and (for an extreme position) Escobar 1992.

1 This section draws on Maxwell 1997.

1 The slightly old-fashioned use of the word planning in a national, macroeconomic context – where today it is more likely that "policy" or "management" would be used instead – can be seen the entry under "Planning" in *The New Palgrave Dictionary of Economics* (Vohra 1987 pp. 885-891), or in the chapter headings that fall under "planning and resource management" within Volume II of the *Handbook of Development Economics* (Chenery and Srinivasan 1989).

1 Wolfensohn 1999 p. 3; he uses this definition of the Bank's work to distinguish it from the Fund, whose primary role is macroeconomic stabilisation and surveillance.

1 World Bank 1996.

1 Kleemeier 1988.

1 See, for example, Korten 1980, Korten and Klauss 1984, Gwyer and Morris 1984, Rondinelli 1983, Chambers 1993.

1 Crener *et al* 1984 p. 40ff.

1 *ibid* pp. 6-7.

1 See bibliography in Birgegard (*ibid.*) and footnote 2.

1 Koppel 1987 on the Philippines; Adams 1992, cited in Barrow 1998 p. 176-7, on Africa.

1 Barrow 1998.

1 Field 1987 p. 23ff. Despite disagreement on details, others concur with the main points of this diagnosis, especially with regard to the large-scale multi-sectoral systems analysis projects of the 1970s: Berg *ibid*, Levinson 1995.

1 *Ibid* p. 26ff
1 Belshaw 1990; Maxwell 1991; Kennes 1990; Davies 1994.
1 Hindle 1990.
1 Huddleston 1990.
1 Davies 1994, Moore 1993.
1 World Bank 1990.
1 IDS/IUED 1994.
1 Toye and Jackson 1996 pp. 58-9.
1 *ibid* pp. 1111-2, italics added.
1 Murray 1992; Peters and Waterman 1982; Peters 1987.
1 see Handy 1985 and below.
1 This section draws upon elements of Maxwell 1998.
1 A selection of which have been drawn together as the DAC goals (OECD 1996) which have in
1 turn influenced national policy statements (e.g. UK 1997).
1 see Maxwell 1996a, 1998 p. 79.
1 Reductionism is, of course, a general problem in development research: see Chambers 1997 p. 42.
1 see e.g. UNDP 1997 pp. 15-16; Baulch (ed.) 1996; Chambers 1983; Shaffer 1996.
1 UNDP note that: “Someone can enjoy good health and live quite long but be illiterate and thus cut
1 off from learning, from communication and from interaction with others;...[or] may be literate and
1 quite well educated but prone to premature death because of the epidemic ecological
1 characteristics or physical disposition;..[or] may be excluded from participating in the important
1 decision-making processes affecting her life. The deprivation of none of them can be fully
1 captured by the level of their income” (UNDP 1997 p. 16).
1 WFS 1996 p. 1; UNICEF 1990; FAO 1992.
1 See Hanmer *et al* 1997 p. 8.3. for a review of “problematic” money-metric poverty assessments in
1 sub-Saharan Africa.
1 e.g. Oppenheim and Harker 1996; CESIS 1997.
1 Compare Chambers 1997; Baulch 1996 pp. 39-40.
1 Baulch accepts that participatory methods yield diverse pictures of poverty, and dismisses them
1 because no replicable answers emerge. The proponents of PRA argue that this is a core strength,
1 that there *are* no simple answers, and that policy needs to avoid reductionism and adapt to the
1 complex reality on the ground (Chambers 1997): an approach I have dubbed ‘post-modern’
1 (Maxwell 1996b).
1 DAC 1997; Buchanan-Smith and Davies 1995.
1 Leigh and Maynard 1995 p. 220. In private and public sector organisations targets are in common
1 use to motivate employees and monitor progress: thus “the purpose of clear goals is to ensure that
1 people know what the team is trying to achieve, mobilising their enthusiasm, curiosity, energy,
1 creativity and talent. Goals justify the team’s existence.” (*ibid.* p. 52).
1 *Ibid.* p. 62, 64.
1 In the UK, for example, there has in recent years been more attention to the lack of “joined-up
1 thinking” about issues of poverty and social exclusion: see Oppenheim 1998.
1 Maxwell 1997 p. 524
1 Maxwell 1997 p. 522.
1 See Handy 1985 chapter 7; Moris 1989; reproduced in Maxwell 1997 pp. 517-8.