

The purpose of these *Key Sheets* is to provide decision-makers with an easy and up-to-date point of reference on issues relating to the provision of support for sustainable livelihoods.

The sheets are designed for those who are managing change and who are concerned to make well-informed implementation decisions. They aim to distil theoretical debate and field experience so that it becomes easily accessible and useful across a range of situations. Their purpose is to assist in the process of decision-making rather than to provide definitive answers.

The sheets address three broad sets of issues:

- Service Delivery
- Resource Management
- Policy Planning and Implementation

A list of contact details for organisations is provided for each sub-series.

Overview of the debate

Over the past 5 years the debate relating to agriculture sector programmes (SPs) has focused on:

- How to adapt SPs to suit the requirements and capabilities of countries with poor capacity for planning and execution.
- The extent to which SPs can be made responsive to local needs (especially those of the poorest).
- The degree of compatibility between SPs and decentralisation/liberalisation.
- The extent to which donors are willing and able to pool their resources and adopt common implementation practices in support of SPs.
- How to capture the benefits of SPs without sacrificing the scope for learning and experimentation provided by pilot level projects.
- Methodologies for evaluating SPs and how to measure sector performance.
- Whether the inherent complexity of the rural sector and the lack of agreement over roles and responsibilities threatens the viability of agriculture SPs.

Key issues in decision-making

Sector programmes (SPs) or sector wide approaches (SWAPs) are a means of managing the role of government in a sector. The overarching goal of SPs for many governments is to improve livelihoods and reduce poverty. More immediate objectives include:

- the re-establishment of domestic ownership and leadership of the development process;
- giving service users a greater voice in determining the ways in which policies are decided and services delivered;
- a reduction in the transactions costs and wastage associated with multiple donors and a disparate array of projects;
- spending based upon rational analysis of priorities, financial flows and roles (both public and private) in the sector over the medium to long term; and
- the establishment or strengthening of sector-wide monitoring, performance and impact assessment systems.

Progress in achieving these objectives has been slow. Sight of the overarching goal - livelihood improvements - has too often been lost in protracted dialogue over the functions of ministries and the mechanics of donor support. Ways must therefore be found of adjusting the operational dimensions of SPs and related support mechanisms to make them more effective. Critical questions include:

- How has the sector been defined? (Definitions driven by the activities of existing agencies seldom reflect a genuine concern for livelihoods.)
- Has a sectoral institutional analysis, including analysis of sources of power and influence, been conducted to inform the SP? (Data generated by poverty assessments can be useful here.)
- Is the SP based on a sector expenditure report, fully embedded in national level expenditure and planning frameworks (e.g. medium term expenditure frameworks) and congruent with national level poverty eradication plans?
- Are programme targets realistic given current capacity levels/resources?
- Are sectoral organisations subject to sufficient incentives or inducements to reform themselves? (External pressure - from the Ministry of Finance, through civil service reform programmes etc. - is often necessary if genuine change is to take place.)
- How well are links with other sectors (e.g. roads, water, forestry, health) and cross sectoral issues (e.g. environment, labour, poverty reduction, food security) understood and operationalised?
- Is the SP sufficiently flexible that it can be adjusted to meet changing requirements and capabilities?

If SP implementation is dependent on donor funding (through a sector investment programme (SIP) or a more flexible loan/grant arrangement such as the World Bank's new adaptable programme loans), substantial changes in donor practice may be necessary. Donors must be willing to:

- adapt to the partner country's budget cycle;
- give up their disbursement targets and make medium to long term commitments to the sector;
- sacrifice individual project ownership and unilateral decision-making in return for becoming recognised stakeholders in the sector;
- share in the high up-front costs of consultation and programme preparation;
- work towards common procurement and implementation arrangements (including common financial systems and technical assistance procurement);
- accept impact measurement based on sectoral level indicators;
- facilitate - rather than drive - the SP process, taking care that the donor 'alliance' does not marginalise the host country.



DFID experience

- Oxford Policy Management: various research
- Uganda (start 1998)
- Ghana (start 1998)
- Mozambique (start 1998)
- Zimbabwe (start 1997)
- Bangladesh fisheries (start 1997)
- Lesotho (start 1996)
- Kenya (start 1994)

NEDA experience

- Zambia (start 1995)
- Mozambique (start 1998)
- Zimbabwe (postponed)
- Uganda (start 1999)

Centres of expertise

- FAO Investment Centre
- In Development Ltd/LID
- Netherlands Economic Institute (NEI)
- Oxford Policy Management Ltd
- Royal Tropical Institute (KIT)
- Stoas
- The World Bank

Agriculture Sector Programmes *continued*

Maximum impact is likely to be achieved by those donors that: enter SP negotiations at an early stage; have significant in-country presence; and invest effort in influencing other members of the donor consortium.

Through their promotion of institutional and administrative reform, SPs should enable government agencies to perform core functions better. Priorities and action plans should be developed through a broad process of consultation, informed by economic analysis.

- How much effort has been devoted to securing the active participation of the different stakeholders in the sector (including private business)?
- How well is the economic basis of public sector provision (i.e. the distinction between public and private goods) understood? Is there a need to provide capacity building support in this area?
- How innovative is the SP in its efforts to identify cost effective and financially sustainable ways to service citizens? (If further testing of options is required there may be a continued need for discrete pilot projects, linked to the overall programme.)

A livelihood-promoting sector programme should also be congruent with other efforts to promote client responsiveness, notably moves towards decentralisation and bottom-up planning.

- Is the action plan based on genuine field-level analysis of strengths, needs and opportunities (including lessons learned in existing/past development projects)?
- How well do the SP structure and process - working groups, secretariat, consultations - accommodate sub-national diversity?
- How will the structures established by SPs (e.g. deconcentrated sectoral authorities, sectoral funds at district level) work with - and not distract attention from - planned or existing sub-national political structures?
- Do existing district political authorities have a meaningful role in the planning, budgeting and implementation of the SP? Can they draw on support to develop capacity to perform these tasks if necessary?

Where districts have mandated responsibility for budgeting, it is important that clear financial envelopes are defined early on to avoid misaligned budgets and subsequent conflict with central authorities.

Questions of accountability feature strongly in SPs. On the operational side monitoring systems are crucial; critical review, assessment and revision should be an ongoing process within a SP. Methods for the resolution of disputes should be specified early on to avoid the breakdown of partnerships. Efforts should be made to measure:

- the performance (financial and in terms of user satisfaction) of individual cost centres;
- progress or achievements in policy formulation, finance and budgetary systems;
- client satisfaction with services;
- institutional evolution in support of SPs; and, most importantly,
- overall changes in the poverty status and livelihoods of those most involved in the sector (including long term environmental prospects).

Joint (domestic and donor) annual monitoring is effective when it assesses genuine progress in improving sector performance and livelihoods. Where the need is identified for special effort to remove particular livelihood constraints (e.g. revision of land policy and law) additional intensive and time-bound donor support may be required. Such 'extra-SIP' support must incorporate to the fullest extent possible the principles which underpin sectoral approaches.

Key literature

- Cassels, A. (1997) *A Guide to Sector-Wide Approaches for Health Development*. Geneva: WHO, DANIDA, DFID, EC.
- Harrold, P. and associates (1995) *The Broad Sector Approach to Investment Lending*. Discussion Paper No. 302. Washington, D.C.: World Bank.
- Jones, S. (1997) *Sector Investment Programs in Africa*. Technical Paper No. 374. Washington, D.C.: World Bank.
- Okidegbe, N. and associates (1998) *Agriculture Sector Programmes: Sourcebook*. Washington, D.C.: World Bank.

Key Sheets are available on the Internet at: www.odi.org.uk/keysheets/
or through the websites of DFID and the Netherlands Ministry of Foreign Affairs

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