

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

A SWAp is a process in which funding for the sector – whether internal or from donors – supports a single policy and expenditure programme, under government leadership, and adopting common approaches across the sector. It is generally accompanied by efforts to strengthen government procedures for disbursement and accountability. A SWAp should ideally involve broad stakeholder consultation in the design of a coherent sector programme at micro, meso and macro levels, and strong co-ordination among donors and between donors and government.

Over the past 5 years the debate relating to SWApS has focused on:

- how SWApS can best be designed and monitored to achieve national and international development targets;
- the place of SWApS in the context of a new 'architecture of aid' – principally Poverty Reduction Strategy (PRS) processes – where visions for poverty reduction are *cross*-sectoral, priorities driven by participatory approaches (i.e. from the 'bottom up'), and implementation decentralised to the extent possible;
- how to address crosscutting priorities within the poverty reduction agenda, including governance, gender and environmental concerns;
- how to achieve wide stakeholder ownership of the SWAp, including appropriate roles for central and decentralised bodies, for civil society organisations, and for private commercial and non-profit organisations;
- how to meet the prerequisites for strong ownership by government, including enhanced capacity, reduced reliance on projects, and wider improvements in public financial management and accountability;
- how far the differences between social (e.g. health, education) and productive (e.g. agriculture, forestry, manufacturing) sectors necessarily influence the design and implementability of SWApS, especially given the problems of defining public-sector roles in the latter;
- what the role of the state should be in those sectors (mainly the productive sectors) dominated by private enterprise, and whether SWApS in those sectors face different kinds of problems from those in 'social' sectors;
- how the capacity to design and manage SWApS can best be supported, including the strengthening of policy-analysis capability within government departments;
- how to achieve closer co-ordination among donors.

## Key issues in decision-making

Whilst much work remains to be done in addressing the above questions – both generically and within specific contexts – challenges for the future fall into three broad groups:

**The place of SWApS in a new architecture of aid.** For the Heavily Indebted Poor Countries, PRS processes are now the basis for World Bank and IMF concessional lending and for the conversion of debt into aid. Many bilateral donors have agreed that a poverty reduction strategy should be one of the preconditions for development assistance. Medium-Term Expenditure Frameworks are being formulated to link budgets to development priorities and overcome year-to-year discontinuities. Despite many practical shortcomings, PRS processes are expected to draw heavily on consultative approaches such as participatory poverty assessments, and to be cross-sectoral in scope. In principle, they may also aim to devolve responsibility for implementation to the lowest appropriate level, and to engage private (commercial and civil society) organisations in both preparation and implementation of the strategy.

These processes present both challenges and opportunities for SWApS: on the one hand, they require broad consistency between what is planned within-sector (SWAp) and across sectors (PRS processes), and between arrangements for stakeholder buy-in, and for implementation, monitoring and improved accountability. They also require due regard to crosscutting issues within the SWAp. On the other, as long as PRS processes and SWApS are broadly consistent in these ways, SWApS may be the subject of a potentially wider range of donor interest than would occur in the absence of a PRS process, and SWApS may themselves become a mechanism to implement PRS processes. Overarching ministries (e.g. Finance) will undoubtedly have a role in guiding other ministries and departments towards coherence with wider initiatives such as PRS processes.



### Experience

- DFID supports SWAp in health, education, roads, agriculture and forestry in eight countries of sub-Saharan Africa, and in several Asian countries.
- DGIS uses SWAp as an organising principle for countries with which the Netherlands has a structural bilateral relationship, as well as with theme countries.

Typical sectors are: education, health and rural development; they may also include environment, water, youth, small- and medium-scale enterprises, and decentralisation.

### Expertise

- Centre for Aid and Public Expenditure, Overseas Development Institute (ODI)
- DGIS/SWAp Support Group
- European Centre for Development Policy Management (ECDPM)
- Institute of Social Studies (ISS)
- Management for Development Foundation (MDF)
- Netherlands Economic Institute (NEI)
- Oxford Policy Management (OPM)
- SWAPShop Group, DFID Development Policy Department
- The IDL Group

**Locating SWAp in a new climate of citizenship, governance and partnership.** Growing emphasis among development assistance agencies, and within some governments, on governance, citizens' rights (economic, social and cultural as well as civil and political) and on the desirability of public/private partnership has strengthened concern that:

- SWAp should not be driven by a ministry-led plan, but draw in perspectives from a wide cross-section of people and agencies.
- Responsibility (and funds) for their implementation should be devolved as far as practical to lower levels of government.
- Private agencies should engage in the design, implementation and monitoring of aspects of the SWAp; citizens' organisations have a particular role in enhancing accountability.
- Governments, in consultation with donors, will wish to set indicators against which the performance of the SWAp and its respective departments can be assessed. These may include sector-level growth and equity criteria, but also the performance of individual cost centres, client satisfaction with services, and institutional change in support of the SWAp. Local-level participatory processes – such as community-based planning based on livelihood perspectives – permit insight into how intended procedures actually work at the local level, and so are potentially valuable in helping to design more robust SWAp.

**Clarifying the role of donors.** The need for donors to support governments in designing and implementing SWAp, and in ways which ensure low transaction costs through adequate donor co-ordination, raises a number of issues:

- Donors and government should share the same broad agenda.
- Only if this is so will it be possible for governments to lead in specifying priority areas in which donors should co-ordinate, and the types of outcome desired. If donors co-ordinate only among themselves, governments may feel that they are being presented with a 'united front', which may provoke negative reactions.
- Donors themselves need to commit to co-ordination of policies, and to view sector analyses and strategy definition as a common exercise for all in which they participate merely as one group of stakeholders.
- Donors should be committed to streamlining aid instruments (such as projects, technical assistance, or sector programme support) and procedures (e.g. for procurement and reporting).
- Donors and governments need to agree on the role of 'projects' – an area in which views have differed widely within and between agencies; a nascent consensus suggests a need for projects that augment SWAp processes by creating space for policy development, and by helping to build capacity and to obtain replicable pilot experience.

### Key literature

- Brown, A., M. Foster, A. Norton and F. Naschold (2001) 'The status of sector-wide approaches'. *Working Paper* 142. London: ODI.
- Crown Agents (2001). 'A study regarding the harmonisation of donor accountability requirements of general and sector budget support in the area of commitments, disbursements, reporting and audit'. Donor accountability study. London: Crown Agents.
- Foster, M. (2000) 'New approaches to development co-operation: What can we learn from experience with implementing sector-wide approaches?' *Working Paper* 140. London: ODI.
- Gould, J, T. Takala, and M. Nokkala (1998) 'How sectoral programmes work: An analysis of education and agriculture sector programmes in Zambia, Ethiopia, Mozambique and Nepal'. *Policy Papers* 1/1998. Institute of Development Studies. Helsinki: University of Helsinki.

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



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