

How to Start Working with a Programme- Based Approach



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Introduction

The aim of this paper is to explain, based on Sida's experience, the programme-based approach (PBA) and how to start applying it to support a national poverty reduction strategy, a sector programme, or an organisation's programme. Most of the examples in the text are from different sectors but similar situations can appear when working at the level of an organisation or at national level. This paper should ideally be read together with Sida's *Guidance on Programme-Based Approaches* since the guidance is Sida's main reference document for programme-based approaches.

Definition of PBA

A programme-based approach (PBA) is defined as a way of engaging in development cooperation based on the principles of co-ordinated support for a locally owned programme of development, such as a national development strategy, a sector programme, a thematic programme or a programme of a specific organisation.¹

PBAs share the following features:

- leadership by host country or organisation
- a single comprehensive programme and budget framework
- a formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement and
- efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation.

Each PBA process can and should differ from another because of the different context. Nonetheless, there are six phases common to initiating a PBA:

1. A common understanding of what a PBA is and why it is needed
2. A consensus on how to work together
3. The development and endorsement of a plan
4. An assessment of sector capacity and sector reform plans
5. The choice of funding modality
6. A joint follow-up mechanism with result indicators

¹ Definition according to OECD/DAC

Ideally the phases should come roughly in the order presented; in practise the phases overlap. The timeframe for launching a PBA in a sector depends on the country context, the donors, the pre-requisites that are already in place, etc. However, it will probably take one or two years from first floating the idea to getting all actors to agreeing on and launching a PBA in the sector.

Each phase is discussed in its own chapter below. Following an introduction most chapters have a section entitled: **i** “*Information Required*” discussing the information Sida and the other parties need to have at this stage of the process.

Thereafter is a section entitled: **?** “*What to Do?*” describing the activities to be undertaken during the phase. Some concrete country examples are provided to illustrate the discussion.

Phase 1:

A Common Understanding of What a PBA is and Why It is Needed

Over the last decades, a shift has taken place in international development cooperation from conventional project approach to broader programme based approaches. The Paris Declaration on Aid Effectiveness from 2005 has strengthened the case for PBAs by promoting the principles of ownership, alignment, harmonisation, managing for development results and mutual accountability.

Projects
The idea of taking a programme-based approach to a sector or a policy area normally arises when the government, the sector ministry or organisation, development partners and/or other sector actors recognize that they have come to the end of the road with project-based support. While there will always be a place for a few well designed projects, generally speaking many countries cannot handle more projects.

Vietnam's
health sector
If the sector ministry and major donors are not on board from the beginning of the PBA, it will most likely fail after a while. In *Vietnam's health sector*, for example, Sida initiated an inception study for a SWAp in 2006 in the hope that the others would discuss the study's conclusions and commit themselves to the approach. However, the Ministry of Health and other donors did not feel they owned the study and the SWAp did not move forward as expected. An annual review is now planned to discuss joint work and a way forward. The experience shows us that all main actors – not least the government or organisation in lead – have to be committed to the approach and cooperate to make it work.

Honduras
health sector
In *the health sector in Honduras* a group of donors was pushing for a sector-wide approach (SWAp). Consultants were invited to the country to hold seminars. A short-term consultant was contracted to support the Planning Directorate in developing a roadmap, sector plan, etc. The donor group discussed different drafts of a code of conduct. However, the minister himself was not really on board and the government was mainly focused on the up-coming elections. The whole SWAp process broke down when the World Bank and the Inter-American Development Bank simultaneously offered large loans to the health sector outside of the SWAp framework and the sector systems. In conclusion, even a group of donors cannot move the process forward if the government and other important development partners are not on board.

i Information Required

The government and its development partners – donors and civil society – need

- to get a comprehensive understanding of the sector and the context within which it exists;
- to identify problems constraining development, poverty reduction and development cooperation that require the change to a PBA;
- to understand the programme-based approach, as well as the closely related principles of the Paris Declaration: ownership, alignment, harmonisation, managing for development results, and mutual accountability;
- to have an understanding of the major actors in the sector, not least on the government side in the cases where the government will be leading the PBA process and other partners will be aligning to government systems and routines.

A good starting point is Sida's *Guidance on Programme-Based Approaches*.

? What to Do?

- Form a task team at the Swedish embassy so that all relevant personnel – the development counsellor, programme officers, the economist and the assistants – are working together to promote the PBA in the sector.
- Identify forums for dialogue and communication in the sector. Where are coordination, harmonisation and alignment discussed already? Which actors are involved and how have they been selected? How are key stakeholders – such as civil society – involved?
- Participate in the existing dialogue forums. It might be time-consuming, but this is where the sector actors meet, learn to trust one another and can start working in the sector with the PBA. If there is no forum for sector dialogue, Sida should advocate the creation of one.
- Identify key agents for change – individuals and organisational units – at the sector ministry or partner organisation, not least the mid-level decision makers who can play a decisive role. For this you will need a good overview of the ministry or organisation.
- Events where all main actors can meet, discuss the issues and reach a consensus are needed. Organise seminars to diagnose the current obstacles to development, poverty reduction and development cooperation, to understand the programme, and to reach a consensus to use a PBA to solve the problems. It can be valuable to learn from the experiences of other countries or sectors.
- Encourage a study (by the ministry or organisation, or by an external expert) where the sector ministry's leadership gets an overview of all current support to the sector, all project implementation units, and all other support administration arrangements, and then draws some conclusions about taking a programme-based approach to the sector and its development cooperation.
- Learn about the programme planning, budget and follow-up cycle of the ministry and the major donors, so that you know when the time is right to conduct dialogue or take other initiatives in relation to the programme and its actors.
- There is a fine balance between actively promoting the PBA – a long process requiring lots of discussion and teamwork under the ministry's leadership – and preventing the sector ministry or organisation from doing its normal work. A PBA doesn't just happen by itself and Sida must be "present and supportive" of the ministry, but at the same time not be a nuisance.

Phase 2:

A Consensus on How to Work Together

When starting to apply a PBA, there will normally be a lot of disagreement between ministry staff, donors and other stakeholders. Partners often agree to the programme-based approach and the Paris Declaration principles, but they do not know or do not agree on what this means concretely in the sector. It is hard to “walk the talk”. There are many examples of donor-driven processes, for example harmonizing donor procedures by adding all the donors’ demands rather than aligning to the country’s own working cycle, routines and priorities.

Code of
Conduct

Hence it is important, as soon as possible, that the actors agree where they are going – agree on a road map for the PBA work – and in particular agree on a way of cooperating: roles and responsibilities, how to make decisions, where to discuss, etc. This is described in a code of conduct (CoC) or partnership principles (PP). A good starting point for drafting a CoC is to go through existing relevant documents, such as national legislation regarding external support and national codes of conduct or partnership principles. The sector ministry should draft the code of conduct, which will then be negotiated with the donors and other key actors. The CoC should describe, among other things:

- the roles the different actors are expected to play,
- the key documents the SWAp will be based on, such as the sector plan, the medium term expenditure frameworks, annual plans of operations and budgets, a performance measurement framework, etc.,
- how consultations will be conducted,
- how decisions will be made,
- how information will be shared,
- the commitments the different partners must make.

Memorandum of
Understanding

The code of conduct should apply to all actors supporting the government’s sector programme, regardless of how they channel their financial support, since the CoC deals with how the actors cooperate in the sector but not the joint financing mechanism. (Later the sector ministry together with the Ministry of Finance will want to draft a memorandum of understanding (MoU) or joint financing arrangement (JFA) describing a joint financing mechanism and negotiate with the sub-group of donors interested in giving basket-funding or budget support.)

Negotiations on CoCs and PPs (and MOUs and JFAs) normally take a lot of time and require substantial consultations on both the government and donor side.

In the past, CoCs and PPs (and MOUs and JFAs) have reflected a very unequal partnership where the donors made all the demands but few binding commitments; all the problems seemed to be on the government side. It is important that these documents reflect a spirit of *mutual commitment and accountability*. Recently, the concept of Compacts has been introduced in some sectors. The compact is a Mutual Accountability instrument aiming at linking the results to be achieved to the resources necessary and the partnership commitments on behalf of each involved actor.

In *Guatemala's health sector*, the Ministry of Health produced with external support a simple road map outlining the key steps in developing a SWAp, including the necessary analyses.

Guatemala's
health sector

In *the health sector in Kenya*, the Ministry of Health wrote a very good code of conduct, based on similar documents from other countries but making greater demands on health sector actors. For instance, it states: "Any actor wishing to support the Kenya national health programme should sign this code of conduct."

Kenya's
health sector

What to Do?

- Sida should promote a process where the sector ministry itself drafts the fundamental sector documents while the donors and other actors are informed and consulted but do not take over the process.
- Commitments in the CoC should be specific enough to have practical consequences and be monitorable.
- The CoC should make demands on all actors and include a mechanism for mutual accountability. Ideally the CoC commitments are monitored as part of the annual review or equivalent.

Phase 3:

The Development and Endorsement of a Plan

The main document in a programme-based approach applied to a sector is the sector plan and linked results framework. Every sector intervention should be reflected in the plan and all actors in the sector should support the same plan.

A common mistake when starting a SWAp is to develop a completely new perfect plan instead of using the plan that already exists. Experience suggests that the benefits of a new, more rigorous sector plan are usually outweighed by the costs in terms of time, effort, and possibly weakened government leadership and ownership. Further improvements can always be made in a sector programme document, but further improvements in the document may not make the programme more effective. Therefore, take a good, hard look at the existing sector plan and be sceptical when someone suggests developing a totally new plan.

The Relationship Between Planning, Budget and Result-Monitoring Frameworks

Planning Framework	Budgeting Framework	Result-Monitoring Framework
Poverty Reduction Strategy or National Development Plan, other longer-term, national policies	Medium Term Economic Framework (MTEF) (3–5 years)	Performance Assessment Framework (PAF) (3–5 years)
Strategic Sector Plan (3–5 years)	Sector's Medium Term Economic Framework (MTEF) (3–5 years)	Sector's Performance Assessment Framework (PAF) (3–5 years)
Sector's Annual Plan of Operations (1 year)	Sector's Annual Budget (1 year)	Sector's Annual Indicators (1 year)

The above diagram identifies the typical key planning, budget and result-monitoring documents at the national and sectoral level.

- The *poverty reduction strategy* and other longer-term, national policies provide the overall policy framework. This framework is operationalised at the sector level in the *strategic plan*, which sets overall sector goals, assigns sector responsibilities and identifies sector resources necessary for the implementation of the sector programme.
- The policy goals in the poverty reduction strategy are mapped into medium-term budget allocations in the Government's overall *medium term expenditure framework (MTEF)*. Similarly the sector plan

should be reflected in the *sector's medium term expenditure framework*. The sector's medium term expenditure framework should ideally be part of and consistent with the overall medium term expenditure framework.

- The sector plan and sector's medium term expenditure framework form the basis for the sector's *annual plan of operations* and *annual budget* respectively.
- The sector goals identified in the sector programme should be used to identify sector targets, just as the national goals identified in the poverty reduction strategy are used to identify national targets. The targets, the indicators used to measure them and the source of information on the indicators are identified in the *performance assessment framework (PAF)*. The sector will want to identify more sector goals, targets and indicators in the *sector performance assessment framework* than will be interesting in the overall performance assessment framework.

Of course, reality is constantly changing and not everything can be foreseen. It is therefore important that planning procedures are sufficiently flexible so that activities can be rescheduled or redesigned, as long as the changes are consistent with the overall priorities and objectives. The sector's or organisation's plan is primarily a management instrument for the organisation in question.

In PBAs at sector level it is not uncommon that a sub-sector programme is developed first while a programme for the whole sector comes later. For example, in *the education sector in Tanzania* donors initially channelled support via a pooled funding mechanism to a primary education sub-sector programme while a comprehensive education sector plan was being developed. In such cases it is important to design the sub-sector support so that it can eventually be smoothly merged into the comprehensive sector support.

Tanzania's
education sector

Another common mistake is that the sector programme is developed by merely adding together all the existing sector projects, as was the case with *the agriculture PBA in Nicaragua*. The sector programme was actually a list of all on-going (mostly donor-driven) projects followed by the claim that these projects were "in line with overall sector objectives." With such a programme, the donors' project decisions, rather than the Ministry of Agriculture's policy decisions, were driving sector developments. What was needed was a proper planning and budgeting process, starting with sector policy goals and available resources and then defining the outputs and activities that will lead to goal achievement given the available resources.

Nicaragua's
agriculture sector

At times it has been common to speak of financing gaps. A programme would be developed without considering the available resources and then the government allocates its resources to the programme and appeals to the donors to supply the remaining necessary resources, i.e., to finance the gap between programme costs and existing government resources. This procedure makes little sense, since in all countries and all sectors everywhere, ambitions are normally greater than the available resources. The important thing is to identify priorities, given the sector objectives and the available resources. An alternative procedure is to plan for high, medium and low-cost scenarios, depending on the external support that the sector or organisation receives. The scenario planning helps to clarify to the government/organisation and development partners the effect of more or less external support in terms of outputs and activities.

Financing
gaps

One development partner in the education sector recently asked all developing countries to formulate ten-year education sector programmes and estimate the financing gap. Many developing countries calculate their need for external support to education for the next three to five years in their medium term expenditure framework. While governments occasionally need to consider the distant future², this request was an example of a donor interest that made little sense for developing countries trying to operationalise their education sector programmes.

Donors need to reflect on the consequences of their conditions for disbursements on a partner government's planning and budget process and ability to achieve results. Evidence suggests that donor conditions related to policy or detailed input control are not very effective in promoting the changes donors want. The design of conditions is often made in a way which makes donor support volatile. This volatility makes it harder for the partner government to use donor support effectively, and a wise government will not count too much on receiving donor support, at least not on time and in the promised amounts. Hence the transparency, predictability and realism of conditions in relation to results to be achieved needs to be carefully considered in mutual accountability mechanisms and agreements.

i Information Required

Here are examples of the questions to be asked at this stage:

- What planning, budget and results-related documents exist within the sector?
- How are sector goals defined? At what levels and by whom?
- Has the government made relevant commitments in international human rights conventions or a commitment to attain the Millennium Development Goals, and is this reflected in the sector performance assessment framework?
- What is the relationship between sector policies, the plan of operations and the budget?
- What is the relationship between the Ministry of Finance and the sector ministry?
- Is most aid included in the sector budget?
- What results have been achieved for poor people from previous sector programmes and plans?

? What to Do?

- Get answers to the above mentioned questions so that you understand the present situation, including linkages between the different documents and how the planning, budgeting and follow-up processes work.
- Identify what needs to be strengthened and improved – remembering that perfect documents are not necessary – and formulate a step-wise plan for developing capacity.
- Help put the sector ministry or organisation in the driver's seat – if it isn't there already – and get all the main actors on board. In the case of a Government-led sector programme, there should for example be no parallel programmes in the sector and no important sector support to Government outside the programme etc. Analyses should be joint and shared among the programme stakeholders.

² Cf. the Swedish Ministry of Finance's Long-Term Survey of the Swedish Economy (Långtidsutredningen).

Phase 4:

An Assessment of Sector Capacity and Sector Reform Plans

Many sector ministries have difficulty planning for reform and reserving resources to implement reforms. A sector ministry in a developing country has basically two kinds of tasks: the ministry's "normal" work, such as running, financing and monitoring the services that fall under its responsibility, and sector reform and capacity development work, i.e., work that will make the ministry's work and the sector more effective in the future. (These different tasks are of course interlinked.) In many cases, these two kinds of tasks are planned separately in the sector programme, and plans tend therefore to be unrealistic in terms of the staff and resources required to do the tasks. Similarly, cross-cutting government institutions such as the ministries of finance, planning and civil service/public administration do not always involve sector ministries in reforms that will affect the sector ministries. This means sector ministries have difficulties in planning for and participating in cross-cutting reform efforts that affect sector ministry operations.

Capacity

The capacity assessment done at the beginning of a SWAp must avoid a number of serious weaknesses.

- The assessment should be led by the sector ministry or at least commissioned by the sector ministry, to ensure ownership.
- The assessment should be characterised by a capacity development approach, looking holistically at different factors determining the capacity of the ministry and in the sector. Capacity is far more than the personal skills of individual civil servants. This implies that capacity development is far more than training and technical assistance to improve those personal skills.
- The assessment must be broad enough to ask fundamental questions about the effectiveness of the government or organisation and the development partners' contributions in the sector or programme.

In *the health sector in Guatemala*, for instance, a bilateral donor hired a consultant to do a capacity assessment that focused on technical matters related to planning, public financial management and internal audit. The report included a long list of things that did not work satisfactorily, but it did not identify capacity strengths nor did it identify the most important capacity constraints facing the Ministry of Health: the ministry's relation

Guatemala's
health sector

to the health insurance institute and the Ministry of Finance as well as the ministry's lack of regular contact with decentralised health administration units. The assessment recommended a lot of technical assistance for the ministry to help with the technical matters but proposed no remedies for the key capacity constraints facing the ministry.

Sector ministries and the implementation of sector programmes are often heavily dependent on external consultants for capacity development, which can undermine ministry ownership of sector reform initiatives and the sustainability of the initiatives. Moreover there is often a great deal of resistance to a PBA from externally-funded technical assistance staff already working in the sector, since the adoption of a PBA can threaten the position of such staff.

❓ What to Do?

- Encourage the development of realistic reform plans, taking into consideration the sector's normal operations and perhaps lowering the expected reform pace to ensure that reforms are owned by the sector ministry and sustainable. Ideally sector reform activities should be integral parts of the sector plan and sector budget.
- Promote joint sector capacity analysis, led by the sector ministry, that identifies sector strengths and binding constraints at national and sub-national levels and in relation to different sector actors. The analysis should include both recommendations for building on sector strengths and removing the binding constraints. Technical assistance should be used strategically and only where it is an effective solution to an identified problem – not as a knee-jerk reaction to any problem.

Phase 5:

The Choice of Funding Modality

The process of analysing public financial management and capacity, choosing a funding modality and negotiating on a memorandum of understanding (MoU) or a joint financing arrangement (JFA) with the sub-set of donors interested in a joint financing mechanism is strategically important. However, it is hopefully clear from this paper thus far that the PBA is much more than the funding modality; the funding modality is not the main issue or the first issue in developing a sector PBA. Its importance is often exaggerated, perhaps because some donors and others are still uneasy working with programme-based approaches, which requires new ways of working.

Experience shows that there is a poor correlation between the quality of public financial management systems and the choice of financing modality. In some countries like *Mozambique*, Sweden has decided to use a more aligned modality – budget support – to improve national systems including public financial management. In other countries like *Moldova*, Sweden has made the opposite decision, using parallel mechanisms because the national systems are poor.

In far too many sector applications of the PBA, donors have worked more with harmonising among themselves than with aligning to government systems and routines. This may lead to donors using sector programme-specific systems for planning, budgeting, monitoring and channelling funds rather than using the ordinary government systems. This is typically the case when the funding modality is a pooled or basket-funding mechanism. The rationale for such mechanisms is that government systems are too weak and that donor funds should be channelled to a certain area.

There is evidence that a more aligned funding modality is generally the best way to promote national or organisational ownership, implement sector policy, orient the sector towards results and ensure the effective use of all funds. Due to fungibility, earmarking and parallel mechanisms may not be effective, and they distract attention from improving government systems. The best way to live with fungibility is to work on improving the way all available funds are used.

Earmarking – requiring that donor funds be used for a specific purpose – is frequently used in sector programmes for a number of reasons:

Earmarking

- to guarantee that funds are used properly,
- to channel funds to a particular area, or
- to focus government-donor dialogue on a particular area.

Earmarking has a number of negative effects on the government side:

- Earmarking generally undermines the government's ability to allocate resources in order to implement policy, i.e. to budget.
- Donor funds are often fungible, in which case earmarking has little real effect on the allocation of resources.
- Earmarking is always time-consuming for the government or organisation to administer.
- If donor funds are not fungible and earmarking really is effective in allocating resources, nothing says that donors' earmarking leads to a better (in any sense of the word) allocation of total resources than the government's or organisation's budget.
- If earmarking is effective, then earmarking for, say, measles vaccines may make it harder for the ministry to allocate the necessary complementary resources – transport to deliver the vaccines, refrigerators to store the vaccines, nurses to administer the vaccines – thereby rendering the earmarking meaningless.

Funds from vertical HIV/AIDS initiatives, for example, are frequently earmarked, which can distort the national budget process and prevent the government from using the funds effectively.

When donors are negotiating an MoU or JFA, it is important to consider the practical consequences of each donor demand or condition. Donor demands should improve programme efficiency – or at least guarantee a minimum level of efficiency – and should preferably work in such a way as to develop government or organisational capacity. But in many PBAs, donor demands are in practice impossible for the sector ministry or organisation to handle and will slow down the implementation of the programme. In the *Honduras Education for All Programme*, for example, the procurement conditionalities are too complex for the ministry, and as a result the ministry has been unable to purchase school books for the children. When making demands, donors need to prioritise and exercise restraint.

i Information Required

Sida must analyse the sector's public financial management system to see whether channelling financial resources through the system will contribute to achieving programme goals. Sida must also analyse whether using the system – as opposed to special routines just for the programme – might help improve the system. Nowadays there are usually standard, joint government-donor studies³ on which to base Sida's analysis. Sida must always draw its own conclusions from the analysis. This analysis needs to be combined with a political risk analysis.

? What to Do?

- The Nordic Plus Donor Group has recently published a new model joint financing arrangement and an accompanying manual⁴. The advantage of using the model when drafting a JFA is that a number of donors have already in principal agreed to the model's aligning and harmonizing proposals. Work still needs to be done in each case in

³ Cf. the PEFA Public Financial Management Performance Measurement Framework, www.pefa.org.

⁴ Nordic Plus Practical Guide to Joint Financing Arrangements (Netherlands Ministry of Foreign Affairs, October 2007, http://www.norad.no/default.asp?V_ITEM_ID=12139). The model also works for general budget support, organizational support and project support. The Nordic Plus Group consists of Denmark, Finland, Iceland, Ireland, the Netherlands, Norway, Sweden and the United Kingdom.

order to adjust the model to the particular country and sector or organisational context. The model however simplifies the alignment and harmonisation work by identifying a number of alternatives.

- Remember that the MOU or JFA should be primarily focused on the results to be achieved, and avoid excessive input control.
- It is important to not be alone (as a programme officer) during the MOU or JFA negotiations. Experience from other countries and sectors can be very useful. Other development partners can come to negotiations with very specific demands. These demands are negotiable; it is not unusual that a development partner elsewhere has waived what is presented as a non-negotiable demand in the situation in question. There are people at Sida with experience of such negotiations, for example Sida's lawyers and the members of the working group on programme-based approaches.

Phase 6:

A Joint Follow-up Mechanism with Result Indicators

Performance Assessment Framework

Having identified common programme objectives, it is then important to follow up programme results by identifying results indicators and using these indicators to measure and analyse results achievement. Thereafter this analysis should be used to modify policies and the coming year's plan of operations and budget. Often government and donors formulate a performance assessment framework (PAF) identifying objectives, indicators, the form for reporting, and a forum for dialogue on results.

As always, results follow-up should to the greatest extent possible build on the government's current information collection and follow-up procedures.

Donors have a hard time restraining themselves and tend to want to impose additional indicators with little added value, to establish parallel systems for data collection and analysis, or to require special reporting on issues of specific interest to them etc. Producing information is costly both financially and in terms of personnel resources, and it is hence important to be pragmatic about the ambition level in relation to resources that could be put to good use elsewhere. The question must be whether the government/organisation and development partners need to know something, not whether it would be nice to know. The ultimate criteria for any changes in government procedures must be whether the changes will promote better results-based decision making in the programme.

Nicaragua's agriculture sector

In *the agriculture sector in Nicaragua*, for example, certain donors have imposed their own data analysis systems (of which there are many). This means the management of results information in the sector is severely fragmented.

Nicaragua's health sector

In 2004–2005, the Planning Department in *the Nicaraguan health sector* initiated a very interesting process of making semi-annual field visits to hold meetings with responsible regional and local level staff to follow up the plan of operations and budget. These meetings wrapped up the annual planning and budget cycle, promoted widespread learning and fed into the coming years' planning and budgeting. This process was abandoned when a donor-led consultancy team proposed that monitoring and evaluation be the responsibility of a new, separate department, now dominated by external consultants serving these donors' control needs. The donors seem not to have considered or valued the monitoring and evaluation that Nicaragua was already doing.

Sida should strive to promote a culture of results in the sector and a habit of focussing on results particularly among the poor as the key question in the sector.

2 What to Do?

- Ensure that the discussion on results is an integrated part of the overall programme management process, and that all actors in the sector, regardless of financing mechanism, buy into the same results framework.
- Start by working with the existing system for following up on results, and proceed with step-by-step improvements, including participatory monitoring and evaluation mechanisms among key stakeholder groups of the programme.
- Encourage a culture of results, by showing more interest in whether programme results are achieved in a cost-effective way, than in the financing mechanism, which tends to have an exaggerated importance in discussions. Be realistic about evidence-based planning and budgeting. In all countries, including Sweden, many important decisions are more politically motivated than evidence-based.

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



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