

**2006 ASIAN REGIONAL FORUM ON AID EFFECTIVENESS:  
IMPLEMENTATION, MONITORING AND EVALUATION**

**MANILA, OCTOBER 2006**

*How have programme-based approaches helped countries established  
effective leadership over development assistance?*

**Thematic study no. 1**

September 2006

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and do not represent the official views of the organisers of  
the Asian Regional Forum on Aid Effectiveness

## Executive summary

1. This thematic study assesses how different forms of programme-based approach (PBA) are helping to facilitate country ownership of development policies and strategies, and more effective leadership over external assistance. The case study assesses three different examples of PBAs as platforms for implementing the Paris Declaration principles, in particular ownership and alignment:

- a multi-donor general budget support instrument in Vietnam, the Poverty Reduction Support Credit (PRSC);
- a Sector-Wide Approach (SWAp) in education in India;
- a sectoral budget support programme for devolved social service delivery in the Punjab in Pakistan.

2. Country ownership is the most basic of the Paris Declaration principles. Effective country leadership is a function both of political commitment and of country capacity to formulate and implement credible development policies. It is both a precondition and an objective of effective assistance.

3. The Vietnamese PRSC provides an example of how policy dialogue can be structured in a mature development partnership. It is open to the participation of all donors, whether or not they contribute funding, enabling it to serve as a common platform for policy dialogue. Negotiations on annual policy commitments start from the government's own stated policy commitments, and work backwards to a sequence of policy actions designed to achieve them. There is no formal conditionality, but disbursement levels are linked to government performance against its own policy commitments. This enables donors to make a contribution to national development policy, without compromising country ownership. However, this also means that, in areas where there is a divergence of views between government and donors, donor influence is correspondingly limited.

4. India's *Sarva Shiksha Abhiyan* (SSA) programme for achieving universal primary education is an example of a highly developed PBA. Three donors pool their support with the government's own resources, with financial management and reporting procedures closely aligned and harmonised. There is strong government leadership of the policy agenda, but donors are able to contribute through their participation in 6-monthly Joint Review Missions. The SSA builds on a ten-year investment in capacity and relationship building through predecessor programmes, during which time the programme's public successes have helped to cement ownership at both the political and administrative levels.

5. The Punjab Devolved Social Services Programme (PDSSP) supports the Pakistan government's devolution programme, and is a multi-sectoral initiative with interventions in health, education, water supply and sanitation. The programme loan is released directly into the Punjab provincial budget, and then provided to provincial governments in the form of conditional grants. Donors have worked intensely with counterparts at various levels to build up policy capacity. The case shows that PBAs can be effective even where capacity begin from a low base.

6. The thematic study concludes that PBAs offer a very effective platform for promoting country leadership in a range of country contexts. They emphasise the development of country-led sectoral policies and frameworks, and the coordination of external assistance under country leadership. In an effective PBA, institutional capacity, sectoral programmes and the alignment of external assistance develop in parallel and are mutually reinforcing. However, it may take many years of intensive effort for the full benefits to be realised.

7. One of the strengths of PBAs is their flexibility in accommodating different funding modalities and management arrangements. Even where joint or on-budget funding is not possible, PBAs can support the coordination of projects with other activities in the sector. Simple forms of PBA can be developed even against a background of low country capacity, provided a minimum of commitment is present.

8. Systems alignment within PBAs often proves a more difficult challenge than policy alignment. Donors continue to impose additional procedures and reporting requirements that are not useful to government for its own management and accountability purposes. This does not contribute to the sustainable development of country systems, and may divert effort from long-term reform needs.

9. Managing for results is essential to an effective PBA, and efforts to introduce information systems and monitoring practices should be an integral part of the support. Monitoring processes should be closely linked to policy dialogue. In many cases, the priority is not to develop elaborate performance assessment frameworks and indicators. Simple review processes may be sufficient if they are conducted jointly between government and donors, and lead directly into discussions on programme performance.

10. PBAs vary considerably in the extent to which they embody the Paris principles and commitments. While the Paris Declaration sets a quantitative target on the percentage of aid to be delivered through PBAs (66% of aid flows by 2010), donors should not assume that their commitments are satisfied once their assistance fits within the PBA definition. PBAs should be subject to constant scrutiny to determine whether harmonisation, alignment and the other Paris principles can be strengthened.