

ROUNDTABLE 8 : ENHANCING RESULTS BY APPLYING THE PARIS DECLARATION AT SECTOR LEVEL

Summary

The Round Table 8 session was divided into two parts:

Part One: 'Analysis of the most important factors necessary to successfully achieve results when applying the Paris Declaration at sector level' included four thematic structured discussions, followed by open debates: 1. Agreeing on priorities: Placing poor people at the centre of sector plans and frameworks for results. 2. National systems and sector programmes – mutual benefits and the importance of inter-institutional relationships. How to avoid SNAPs (Sector Narrow Approaches)? 3. Placing capacity at the core of sector development: How do we ensure an integrated and demand-driven approach to capacity development at sector level? 4. Getting serious about using country systems and prioritising alignment over harmonisation: Do we need a non-proliferation treaty on aid modalities?

Part Two: 'Proposals and commitments for 2011 and beyond' included three open debates on: 1. Broadening ownership beyond sector ministries. Are partner country actors prepared for an inclusive and transparent sector dialogue based on results? 2. Moving the focus from conditionalities to mutual accountability for results. 3. Matching sector reform with development partner reform - addressing incentive flaws and knowledge gaps.

The debate largely echoed the conclusions of the widely consulted RT8 Outcome Document final draft (as circulated prior to the Accra HLF-3), with important additional viewpoints and experiences also related.

The Round Table 8 process concluded that the following 10 points are fundamental to the enhancement of sector development effectiveness:

1. Donors and their aid are not the centre of the development universe. Change from an aid delivery to a sector development perspective.
2. The Paris Declaration principles apply equally to all sectors – but one size does not fit all.
3. Move from focus on inputs and conditionality to mutual accountability for results.
4. Be practical about planning. If consensus on a 'perfect plan' is proving elusive, be prepared to start implementing, measure results and improve plans through use.
5. Place capacity and institutional development at the core of sector programmes and strategies. But avoid treating technical assistance (TA) as the single solution.
6. Prioritise alignment over harmonisation (of procedures) between donors.
7. Don't turn SWAPs into SNAPs (Sector Narrow Approaches).

8. Promote pragmatic mechanisms for democratic ownership and stakeholder involvement at sector level.
9. Match sector reform with “development partner reform”. Focus on relevant knowledge and incentives for all actors.
10. Address incentives and the political economy of sector development - don't shy away from the real problems.

Round Table 8's conclusions reinforce the commitments laid out in the AAA, especially in relation to the achievement of development results and poverty reduction, broadening ownership, promoting division of labour, increasing transparency and accountability and changes in the nature of conditionality.

ROUNDTABLE 8 : SYNTHESIS REPORT

1. Background

Round Table 8 was co-chaired by the Department of the Presidency of Honduras and the Swedish International Development Cooperation Agency (Sida/Asdi). It fulfils the purpose of drilling down from the macro level to analyse and summarise how the Paris Declaration has been applied in order to enhance results in the health, education, agriculture and infrastructure sectors. As such its remit covers all of the Paris Declaration principles – ownership, alignment, harmonisation, managing for development results and mutual accountability - and the extent to which they have been practiced jointly and coherently in specific sectors to date.

Round Table 8 approached this task through an extensive consultation and information gathering exercise drawing on: OECD/DAC work streams relating to relevant sectors; working groups dealing with cross-cutting issues; experiences and cases shared at the HLF-3 preparatory consultation meetings; and other studies, research and experiences shared by partner country representatives, development partners, research institutions and other practitioners. The key questions that Round Table 8 sought to answer throughout this process were as follows:

- To what extent have the Paris Declaration principles been applied at sector level in the respective sectors, and what are the key factors necessary for success as well as the main bottlenecks and challenges?
- What are the similarities and differences between the different sectors in terms of progress and challenges, and what can sectors learn from each other?
- What additional steps and measures are needed to enhance aid and development effectiveness at sector level?

In order to document advances in these findings and disseminate and build consensus on possible ways forward, Round Table 8 developed an “Outcome Document” and accompanying consultation process designed to draw out key specific issues within the round table theme that evoked disparate views and that should be further discussed at the Round Table 8 session at the Accra HLF-3. This process led to the identification of the following major themes and their specific application at sector level (each receives a chapter in the Round Table 8 Outcome Document):

1. Stakeholder involvement and democratic ownership. Ownership issues within sector programmes beyond central government and the involvement of other key stakeholders – such as parliaments, civil society and the private sector - in planning, implementation and monitoring and evaluation (M&E).
2. Realistic plans, results frameworks and mutual accountability. The complex nature of sector planning, budgeting and monitoring processes and the joint efforts required to unite all actors behind realistic operational sector plans and coordination frameworks, improve these plans

with time through effective monitoring of their implementation, and employ precise, comprehensive mutual accountability mechanisms to ensure that all actors fulfil their agreed roles.

3. Alignment and harmonisation. Contrast between advances in harmonisation between donors and shortcomings in alignment with partner country (sector) strategies and systems. Only through adoption and use will these partner country strategies and systems be strengthened.
4. Capacity development, institutional reform and technical assistance. The need for a common understanding of sector context and its modus operandi in order for sector development results to be achieved. Necessity of needs-based capacity development and institutional reform plans within sector programmes and space for sequencing of reform initiatives. Attention to potentially sensitive areas such as incentives, civil service reform and other issues relating to sector “political economies”.

In preparation for the Round Table 8 session, the final draft of the Round Table 8 Outcome Document and the annexes prepared by OECD/DAC work streams for the corresponding sectors were widely disseminated prior to the event. Furthermore, the Outcome Document will be further revised following HLF-3 in order to incorporate interventions made during the session. A finalised version of the document will be made available during October 2008.

Short presentation of how Round Table 8 was carried out

The Round Table 8 session took place in Accra on the morning of Wednesday 3rd September and was chaired by Mr Ricardo Arias, Vice Minister of the Presidency of Honduras, and Mr Anders Nordström, Director General of Sida/Asdi, Sweden.

Furthering developing the key themes treated in the Outcome Document, the objective of the RT8 session was to highlight specific pertinent issues, illustrate good practice and attempt to provoke a lively debate on issues where further progress is clearly necessary.

The session was divided into two parts. Part One focussed on analysing the most important factors necessary to successfully achieve results when applying the Paris Declaration at sector level, as well as key bottlenecks and ways of overcoming them, and was divided into four debates. Part Two was oriented towards highlighting specific issues and further developing concrete proposals and commitments to take the agenda forward, and was divided into three debates. The titles and panellists relevant to each debate are listed below:

Part One: Most important factors necessary to successfully achieve results and key bottlenecks and ways of overcoming them.

1. Agreeing on priorities: Placing poor people at the centre of sector plans and frameworks for results
 - Mr. Pierre Jacquet - Chief Economist at the French Development Agency (Afd) and Chairman of Povnet.
 - Hon. Ms. Géraldine N. Bitamazire - Minister of Education and Sports, Uganda
 - Ms. Sarojeni V. Rengam - Executive Director, Pesticide Action Network (PAN-AP)

2. National systems and sector programmes – mutual benefits and the importance of inter-institutional relationships. How to avoid SNAPs (Sector Narrow Approaches)?
 - Ms. Joy Phumaphi - Vice President of Human Development at the World Bank
 - Dr. Andrew Cassels - Director a.i. Health Systems Governance and Service Delivery, WHO
3. Placing capacity at the core of sector development: How do we ensure an integrated and demand-driven approach to capacity development at sector level?
 - Mr. Nicholas Burnett - Assistant Director-General for Education, *UNESCO*
 - Mr. Francis Bougaire - General Manager of Water Resources, Ministry of Agriculture, Hydraulics and Fisheries, Burkina Faso
 - Dr. Edward Addai - Director for Policy, Planning and Evaluation, Ministry of Health, Ghana
4. Getting serious about using country systems and prioritising alignment over harmonisation: Do we need a non-proliferation treaty on donor involvement and aid modalities?
 - Hon. Mr. Marlon Brevé - Minister of Education, Honduras
 - Prof. Richard Mkandawire - NEPAD Agriculture Adviser and CAADP representative
 - Ms. Valentine Sendanyoye Rugwabiza - WTO, Geneva

Part Two. Three debates looking forward and developing commitments and proposals for 2010 and beyond

1. Broadening ownership beyond sector ministries. Are partner country actors prepared for an inclusive and transparent sector dialogue based on results?
2. Moving focus from conditionalities to mutual accountability for results.
3. Matching sector reform with development partner reform - addressing incentive flaws and knowledge gaps.

Part One of the RT8 session included prepared interventions by each of the panellists wherein their differing insights into the corresponding issue were set before the floor. Further interventions and replies from relevant panellists were then invited after debates 2 and 4 and the floor were also invited to give comment and propose questions to the panel after debate 4.

Part Two took a more open format wherein all session participants, including panellists, had the same right to intervene on the topics pertaining to each of the three debates.

Selected interventions made in each debate are included in the outputs relating to each of the Round Table 8 Outcome Document major themes and are detailed below.

Core issues and cross cutting issues

The core issues put forward by partner countries in the build up to Accra were taken into account at all points of the Round Table 8 process and in all chapters of the RT8 Outcome Document. They constituted the core of the debate at the RT8 session in Accra. The conclusions of the final draft of the

RT8 Outcome Document (as circulated prior to the Accra HLF-3) and the session itself, are generally in line with partner country perspectives on these core issues.

Throughout the RT8 process, attention has been drawn to the necessity of including the environment, human rights and gender equality in an operative manner at all stages of sector programmes - from planning through to monitoring and evaluation. The RT8 Outcome Document details examples of how CSOs and other non-state actors have played vital roles in furthering democratic governance, accountability, innovation, the quality of results and issues linked to gender equality, human rights, and the environment at sector level.

Outputs for each of the main areas of focus

Further information with regard to the references, examples and studies referred to below is available in the RT8 Outcome Document. Please note that two of the major themes identified by Round Table 8: '*2. Realistic plans, results frameworks and mutual accountability*' and '*3. Alignment and harmonisation*' have been merged in this section for the sake of brevity and as they are intimately linked.

The ways forward listed under each theme are a result of the extensive consultation process and information gathering conducted by Round Table 8. Discussion at the round table session in Accra demonstrated that these ways forward can be considered reasonable points of departure for the road forward to 2010 and HLF-4.

2. Stakeholder involvement and democratic ownership

Specific background at sector level

- Ownership issues within sector programmes have, to date, focused mainly on central government. Other key stakeholders – such as parliaments, civil society and the private sector – have not been sufficiently involved in planning, implementation and monitoring and evaluation (M&E). Civic participation is an essential aspect of development. Where mechanisms are employed that allow citizens voices to be heard in relation to government and the public administration, (sector) development initiatives tend to be more relevant and effective in meeting citizens needs and rights.
- The relationships between the sector ministry and the ministries of finance and planning are of particular importance for the success of sector programmes. Lack of commitment or support from these ministries can create various problems for the sector. For instance, increased transparency of existing external financing to the sector and subsequent inclusion on budget may lead to the sector receiving lower allocations from the Ministry of Finance (MoF).
- Challenges in relation to this broader ownership of sector programmes include the inexistence of inclusive mechanisms, the limited capacity of governments to conduct effective participation exercises, and a reluctance by some governments or ministries to include CSOs and other relevant actors in sector dialogue and M&E. There are several examples of sectors where CSOs and other non-state actors have played a vital role in furthering democratic governance, accountability, innovation, the quality of results and issues linked to gender equality, human rights, and the environment at sector level.

Main inputs of the discussion on this issue at Round Table 8

- There seemed to be agreement on the proposal to design and apply a “map” of the political economy of the sector from the start of any sector programme. Said map should include relevant ministries other than the sector ministry (eg. finance and planning), parliament, and non-governmental actors. *It should take into account the specific characteristics of the sector and not overlook the fact that many of the very poor live in isolated rural areas and that their voice should be heard and their rights respected.*
- More generally, the need to broaden ownership and accountability mechanisms to include key stakeholders, and ensure that stakeholder participation moves beyond window-dressing was acknowledged by all.
- The need for the global ministries (e.g. finance and planning) in partner countries to better understand the process of changes in aid delivery that the Paris Declaration represents was highlighted. Support by these global ministries to sector ministries is necessary in order to strengthen wider national systems that are not generally within the remit of the latter.

Ways forward

Given the state of play following the Round Table discussion it can be deemed the following ways forward should receive further attention:

- a) Institutionalisation of mechanisms for effective involvement of key stakeholders.
 - b) Participation of relevant stakeholders should be facilitated as concerns resources (e.g. through support to key drivers of change outside government), capacity development and provision of relevant information - especially from the partner Government.
3. Realistic plans, results frameworks and mutual accountability, and 3. Alignment and harmonisation

Specific background at sector level

- Effective sector planning and budgeting must overcome various difficulties and pitfalls, including: (1) the level of ambition of sector plans not matching available resources or previous results; (2) unclear objectives and/or spending priorities; (3) insufficient consideration of existing policies or key stakeholders; (4) excessive donor pressure to define a policy in too short a timeframe; and (5) continuity across government mandates.
- Development of coherent sector plans, budgets, results frameworks and coordination mechanisms has been facilitated on occasion by the existence of macro-frameworks such as poverty reduction strategies (PRS), linked performance assessment frameworks (PAF), and medium-term expenditure frameworks (MTEF). In reciprocal fashion, PBAs at sector level have contributed to highlighting the issue of sustainability of results through strengthening links between sector expenditure programmes and national budgets, and by increasingly linking plans and budgets.

- Cross-sector linkage has been a challenge in several sectors. SWAp initiatives have sometimes had a tendency to become too sector narrow – the so called “SNAP” effect (Sector Narrow Approach). Agriculture SWAps, for example, have found it difficult to establish effective stakeholder coordination mechanisms at sector level reaching beyond the administrative boundaries of ministries of agriculture, into other areas of strategic importance such as trade, infrastructure and finance. The same can be said for links to public institutions responsible for central development issues such as gender equality, human rights, the disabled and the environment, which have so far been insufficiently involved in supporting and monitoring sector-level application of policies relating to these issues.
- A further related cross-sector coordination challenge is the articulation between (vertical) sector programmes and (horizontal) area/geographically focused programmes. Examples exist wherein this has been addressed. Sector planning is sometimes further complicated in sectors such as agriculture and health by a lack of consensus on the role of the state in the sector. Sector actors can learn a lot from the way HIV/AIDS programmes have managed to provide a multi-sector response to the pandemic at country and sub-national levels.
- Joint sector planning processes have contributed to improved coherence and coordination of development interventions at sector level. Advances have been made compared to ‘early generation’ sector plans and budgets, many of which entailed little more than compilation of a list of existing (donor-led) projects in the sector. However, in sectors and countries where ODA constitutes a substantial part of the budget, development of sector plans has often focussed more on attracting external funding (through identification of “funding gaps”) than on producing a realistic, operational management (and/or coordination) instrument for the government.
- There is reliable evidence that plans (and budgets) can be improved progressively when they are genuinely adopted by the government as operational instruments to guide sector actors, when a sufficient number of significant donors in the relevant sector align effectively behind them, and when the planning and monitoring process is increasingly inclusive of relevant actors.
- Joint results and indicators framework have been developed which can assist in selecting relevant indicators and help different actors take part in the monitoring of results. Planning and budgeting tools have been developed to facilitate a more poverty-focused and rights-based analysis of results.
- The establishment of mutual accountability agreements based on results has been especially useful, with specific commitments for all relevant sector actors (incl. all donors regardless of aid modality utilised), within a common framework such as a compact, a code of conduct or similar. Agreements should be monitored on a regular basis, preferably by an independent entity.
- Numerous examples exist to support the case for prioritising alignment over harmonisation efforts the use of aid modalities that are on-budget, that exclusively employ national procedures and that do not earmark funds (General Budget Support), or that only notionally earmark to a specific sector (Sector Budget Support), are those which best contribute to a “virtuous circle” which strengthens partner country capacities and promotes the right incentives for actors. Despite the advantages of this virtuous circle, practice to date shows that development partners have advanced more in harmonising amongst themselves. Project

support remains the dominant ODA delivery mechanism, outweighing the share of total aid of “new aid modalities”.

- The resources spent on design and management of a (harmonised) common fund can crowd out time for policy and results-focused dialogue, and may be an important factor in explaining the limited progress that has been made in reducing transaction costs. Furthermore, existing domestic systems can be overshadowed and hence remain weak. In such cases, the role of common funds as stepping stones towards increased alignment is questionable.
- Global programmes/initiatives have brought increased financing to the education and health sectors and have speeded up disbursements and supported innovation. Yet in the health sector these programmes have also complicated the task of managing health sectors and implementing sector programmes, through introduction of parallel procedures, earmarking of resources for specific programmes or diseases, and attracting professionals away from the public sector. Nevertheless, some experiences of integrating global funds into overall sector programmes and aligning with national procedures do now exist.

Main inputs of the discussion on this issue at Round Table 8

- It was highlighted that the purpose of planning is not to create the perfect plan but to create confidence in the plan and to widen the circle of partners involved in the process of preparing and implementing the plan. This needs clarity on inputs from different donors and the results to be achieved, balance between having an ambitious plan and being realistic and confidence that the inputs will get desired results.
- The need for better and more coherent incorporation of the cornerstones of development: gender equality, the environment and human rights into planning and results frameworks – moving beyond tools and specific projects – was highlighted.
- Taking into account the complexity of the achievement of results (eg. inter-sector and territorial issues), the need to avoid a “sector-narrow approach” (SNAp) was acknowledged. Effective operation at sector level requires looking at a sector as a whole, including relationships between central government and all levels within the system, as well as covering the full range of services and programmes covered by a particular sector. This also requires extension beyond the sector itself to other sectors (an example being HIV/AIDS multi-sectoral strategies), and to look at linkages of the sector to the broader macroeconomic framework.
- Prioritising alignment over harmonisation among donors was stressed, and the need to commence implementation using national systems, as implementation combined with evaluation is the best way of subsequently improving planning processes.
- It was suggested that, when a financing modality is being chosen, partner countries and their development partners should jointly pose the questions: Which modality will contribute most effectively to achieving lasting results? Which will strengthen ownership, institutions and national systems to the greatest degree? How will accountability to citizens and between the partner country and development partners be improved? And, which will reduce transaction costs the most?

Ways forward

Given the state of play following the Round Table discussion it can be deemed the following ways forward should receive further attention:

- a) Development partners should address their internal regulations, competence and incentive systems so as to promote alignment and partner-country led division of labour. They should simultaneously increase their use of partner country systems and support initiatives to improve/reform these systems.
 - b) When a financial mechanism is being selected, a modality using national procedures should be the first option considered.
 - c) Partner countries should take a forceful lead in promoting use of national procedures.
 - d) Peer pressure is an important incentive. When there is a critical mass of development partners with real commitment to practicing the Paris Declaration principles, peer pressure can be exerted on more reticent development partners.
 - e) Global/vertical funds should be designed in such a way that they can be part of national and sector alignment and harmonization initiatives. An analysis of the potential pros and cons should be carried out before any further vertical initiatives are put into practice.
4. Capacity development, institutional reform and technical assistance

Specific background at sector level

- Knowledge and skills development among the actors involved in sector programmes is vital for the enhancement of aid and development effectiveness at sector level. A comprehensive common understanding (shared by all involved actors – government representatives, development partners and other stakeholders) of the overall sector, its programme(s) and actors need to be developed for sector programmes to be successful.
- Training events on SWAps at country/regional level do exist and have contributed substantially to the creation of joint platforms of this type, primarily between governments at sector level and development partners. Learning and training initiatives have not so far included other actors, such as parliaments, CSOs or the private sector, however.
- On the development partner side, staff members are often inexperienced, change frequently and subsequently lack understanding of the sector context. As one partner country representative points out: “Donors should ensure that their staff has at least the same training as the partner country representatives in these areas”.
- Sector ministries often suffer “reform overload”. It has been demonstrated that development partners should not push too hard for unrealistic reform initiatives, but rather allow governments the leeway to sequence reform initiatives, thus making them more realistic and sustainable.

- The political environment of sector reform is also frequently overlooked. Sector development and the implementation of the Paris Declaration are often technically oriented – lacking an understanding of potential resistance to reform.
- There is a need to develop human resources capacity in the long-term, and make sure sufficient qualified hands are available. The roles of national training and higher education institutions cannot be neglected if sustainable results are to be achieved at sector level.
- Joint technical assistance (TA) programmes supporting capacity development seem to lag behind other cooperation areas when it comes to applying the Paris Declaration principles at sector level. Many initiatives exist, but few work satisfactorily. Technical assistance is still often strongly supply-driven.
- There are several good examples of the elaboration of capacity development, reform or (TA/TC) plans based on the needs identified in the sector programme planning process, and mechanisms for coordination and harmonisation of this TA/TC being installed as part of the programme. There are also several experiences at sector level with successful south-south and triangular cooperation (including institutional exchanges).

Main inputs of the discussion on this issue at Round Table 8

- It was emphasised that plans should be implemented using the capacity that exists and the strengthening of this capacity should be put at the centre of the sector programme. “One-size-fits-all” prescriptions and “big bang” style reforms are to be avoided – as it is demonstrated that they don’t work – and change applied progressively, taking advantage of national experiences and those of similar countries.
- The need for an integrated demand driven approach to capacity development at sector level was stressed. Ownership should be with the country and not with the donor TA programme. TC should not be attached to project support.
- The lack of evidence to support decision-making on how to enhance aid and development effectiveness at sector level was raised. Research and evaluations have important roles to play in developing further evidence of this type. .
- Acknowledgement was made of the vested interests surrounding TA in donor countries.
- It was signalled that the most important aspect of CD for a sector is capacity for policy and programme development and for implementation, rather than the Paris Declaration’s focus on financial management, procurement, etc. (although these are also important).
- Capacity development should be provided to all stakeholders, including governments, parliaments, civil society, private sector as well as donors and development partners. A move to budget support led to a decline in technical strengths. A response could be a division of labour among partners.
- It was pointed out that existing capacity is often not utilized. TC can help if there are capacity gaps but not in the case of capacity restraints. In the latter case, a wider public sector reform in institutional change management is needed. The link to the public sector reform is especially

important in sectors such as health and education that are the largest parts of the non-military public sector.

- Various instruments/mechanisms are important to discuss CD issues, including technical working groups, joint reviews and joint learning programmes. They assist in strengthening the dialogue between partners. In order to improve review processes we must think about: the role of partner countries' capacities; a frank discussion of TA is important; more attention to processes as well as results is needed; and PD monitoring could be wider (include sectoral indicators).
- Development partner reform processes must accelerate, orientating their structures and incentives towards the achievement of development results and consequent increased aid effectiveness. Donors should focus less on conditionality and inputs, and more on mutual responsibility and accountability for results. Incentive systems should be based on the Paris Declaration pillars rather than any other parameter.

Ways forward

Given the state of play following the Round Table discussion it can be deemed the following ways forward should receive further attention:

- a) Sustainable institutional capacity development should be an integral part of sector assessments.
- b) Development partners must make sure their competence matches that demanded of partner countries.
- c) Development partners and partner countries should include the emerging good practice related to capacity development and technical assistance in MA frameworks at sector level.
- d) Partner countries should resist pressure to move too quickly with public sector reform initiatives, and concentrate on careful sequencing that is realistic given their capacity levels.

5. Conclusions

The RT8 debate largely echoed the conclusions of the widely consulted final draft of the RT8 Outcome Document with important additional viewpoints and experiences also related. The Round Table 8 process as a whole identified the following 10 points as fundamental to the enhancement of sector development effectiveness:

- Donors and their aid are not the centre of the development universe. **Country actors are.** All actors involved at sector level must work collectively, accountably and transparently towards development outcomes, and commit to changing their approach “from an aid delivery to a sector development perspective” in order to achieve sustainable results.
- The Paris Declaration principles apply equally to all sectors – but one size does not fit all. The approach to applying the Paris Declaration will vary across sectors and between country contexts. Sector actors – donors as well as sector ministries - must improve their understanding of their specific sector context, but not use this context as an excuse not to change their incentives and behaviour.

- Move from focus on inputs and conditionality to mutual accountability for results. Instead of applying policy, input or process conditionality, sector actors should agree on a set of results to be achieved, their specific roles and responsibilities in delivering what is necessary to achieve these results (including financing), and hold each other to account on this basis.
- Be practical about planning. If consensus on a ‘perfect plan’ is proving elusive, be prepared to start implementing, measure results and improve plans through use. Sector governments and development partners should encourage realistic operational plans linked to budgets and national development plans (as applicable). Sector actors should focus on results to be achieved, take calculated risks and monitor results closely through a learning-by-doing approach.
- Place capacity and institutional development at the core of sector programmes and strategies – and avoid treating technical assistance as the only solution. Capacity development with a focus on sustainable institutions should be a natural part of a sector programme and its results framework. Mechanisms for demand/needs-based capacity development support, with technical assistance/cooperation as just one element, should be implemented. The capacity development needs of other key stakeholders besides the central government need to be addressed in order to enhance broad ownership and results.
- Prioritise alignment over harmonisation (of procedures) between donors. Only by using the pipes can you detect and fix the leaks. Donors should focus on increased alignment with partner country priorities, systems, legislation and implementation mechanisms rather than merely harmonising procedures amongst themselves (e.g. parallel common funds).
- **Don’t turn SWAps into SNAs (Sector Narrow Approaches).** Sector development results also depend on outside actors and sectors. In particular, sector programmes need to be linked to the national budget and the activities and policies of other sectors.
- Promote pragmatic mechanisms for democratic ownership and stakeholder involvement at sector level. Broad government ownership and leadership of sector development is vital but not sufficient. Sector policies should include mechanisms for broad stakeholder involvement, not least at local level. Partner country governments need to be transparent in terms of information sharing, recognise the importance of stakeholder contributions, and engage stakeholders in real, results-based sector dialogue.
- **Match sector reform with “development partner reform”.** Focus on relevant knowledge and incentives for all actors. Development partners must reform their way of doing business, ensure that their staff is qualified and informed, and that they have the time and incentives to engage in results-based dialogue and support to capacity development at sector level. The same knowledge and incentives issues need to be addressed within partner country governments, in addition to other specific technical reforms (PFM etc).
- Address incentives and the political economy of sector development - **don’t shy away from** the real problems. Recognize existing incentives and work with them. Address the reform areas needed for successful sector performance – even if they are not currently highlighted in the Paris Declaration - e.g. civil service reform. Focus on programming reforms in a realistic manner, since over-optimism has often proved counterproductive. To address the political economy of

sector reforms, social analysis should, from the design stage of the program, identify the winners and the losers, anticipate resistance, provide for mitigating measures as well as means of strengthening the hand of the drivers of pro-poor change.