



Food and Agriculture Organization
of the United Nations

ECOWAS-FAO Learning Event

Agoué, Benin, 20 22 August, 2012

SUPPORTING AGRICULTURE GROWTH UNDER CAADP USING A SECTOR WIDE APPROACH

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Programme Overview

Monday 20 August	Tuesday 21 August	Wednesday 22 August
Programme and participants	Recap Day 1 & Intro Day 2	Recap Day 2 & Intro Day 3
1. Sector Wide Approaches	4. CAADP & SWAPs in Agriculture	ReSAKSS & Country SAKSS Nodes
2. SWAPs in Agriculture	ECOWAS Regional Agricultural Investment Plan	Farmer Organisations in CAADP
Lunch	Lunch	Lunch
3. CAADP: Structures, stages and processes	Country experiences with NAIP and SWAPs	Country experiences with NAIP and SWAPs
CAADP implementation in West Africa	Group Work by Theme	Group Work by Country
Country experiences	Wrap-up Day 2	Evaluation and Closure

Session 1

THE SECTOR WIDE APPROACH

Sector Wide Approach & Programme

A **Sector (Wide) Approach** is about ownership of policy development, resource allocation, decision making and interventions within a sector

A **Sector (Wide) Programme** is the implementation vehicle for the Sector Approach with:

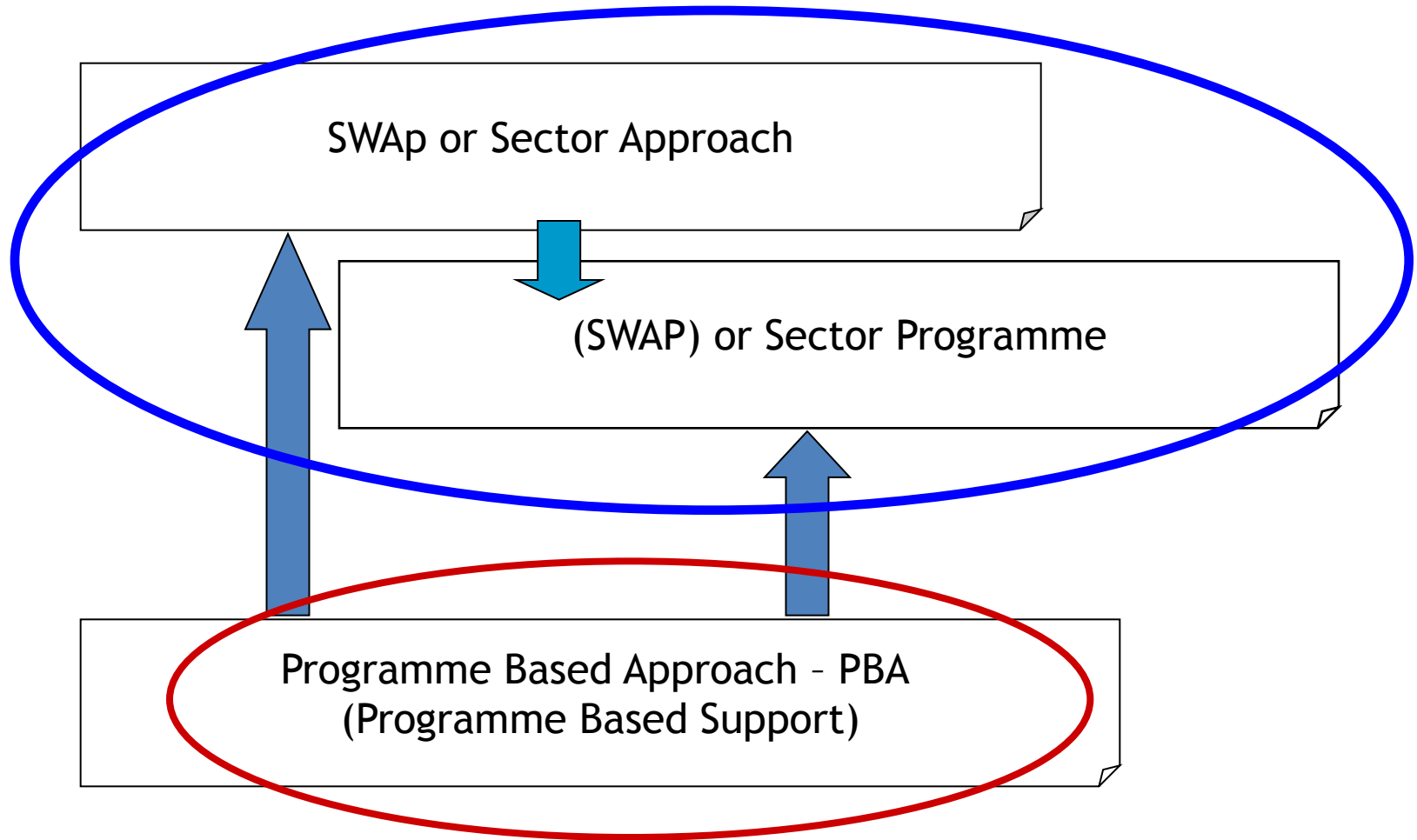
1. A coherent policy and strategy
2. A medium term and an annual budget
3. A coordination framework for implementation

The PBA

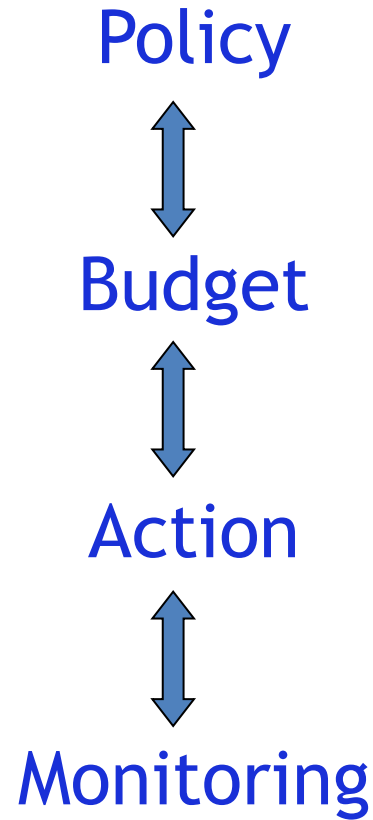
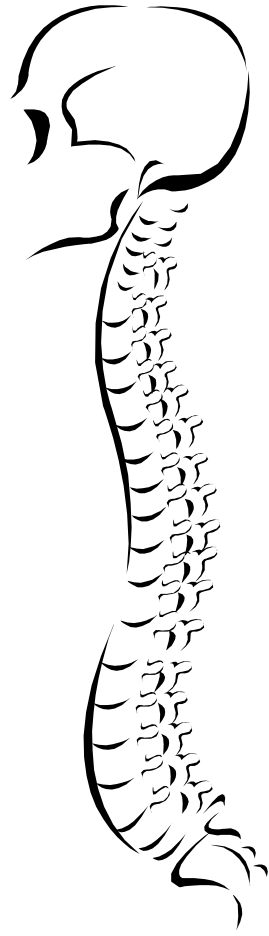
A **Programme Based Approach** is a way of engaging in development cooperation based on the principle of coordinated support for a locally owned programme of development:

- Leadership by the host country or organisation
- A single programme and budget framework
- Donor coordination and harmonisation of procedures
- Efforts to increase use of local procedures over time

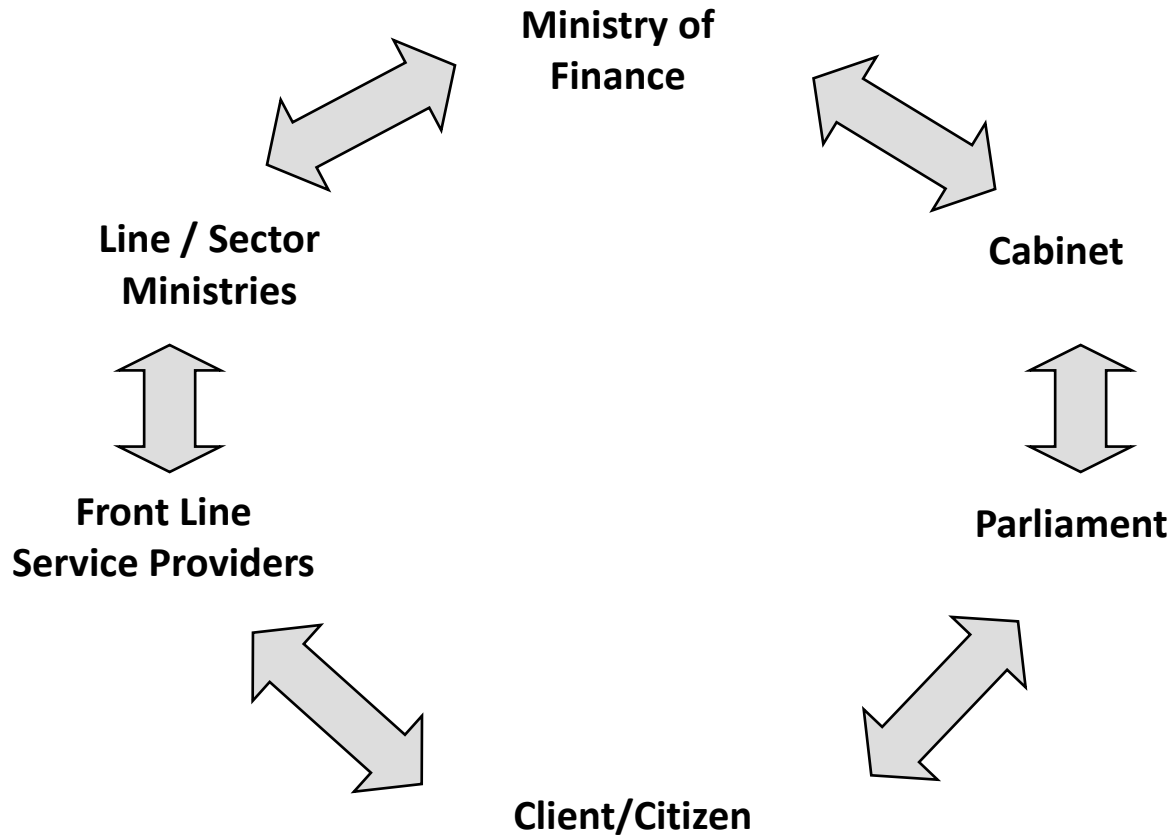
Government - DPs



The SWAp 'backbone'

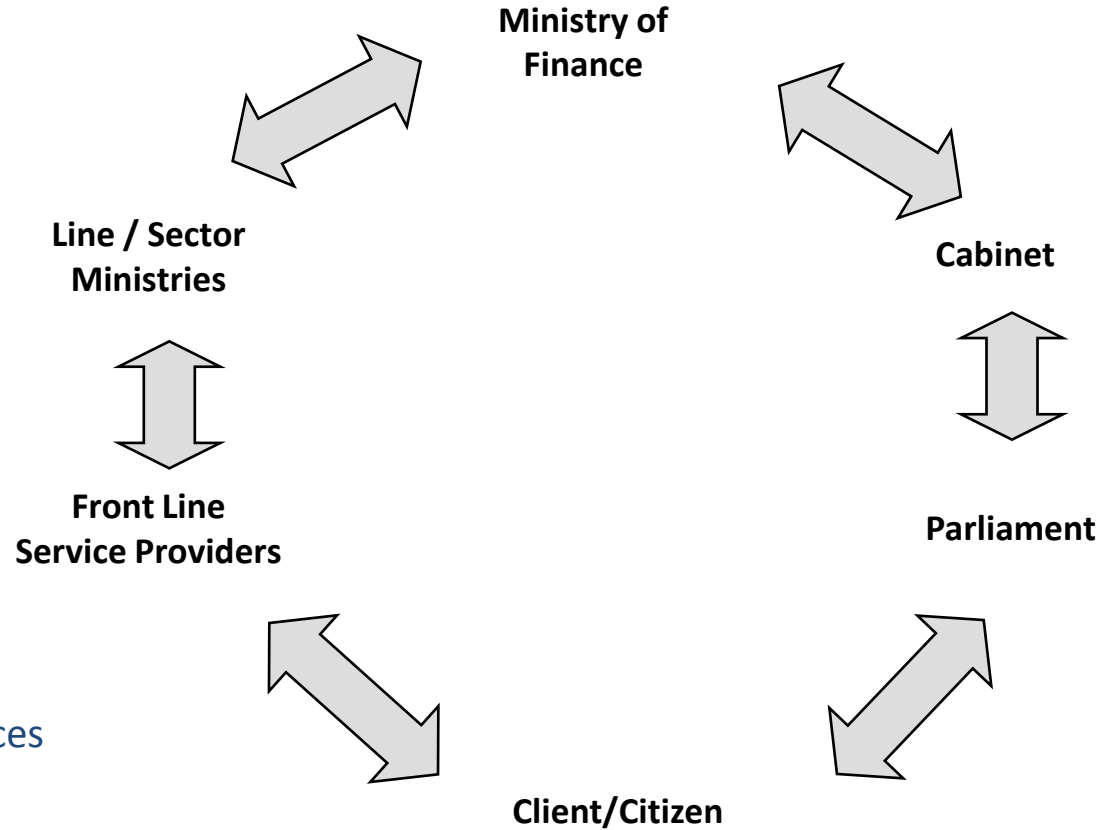
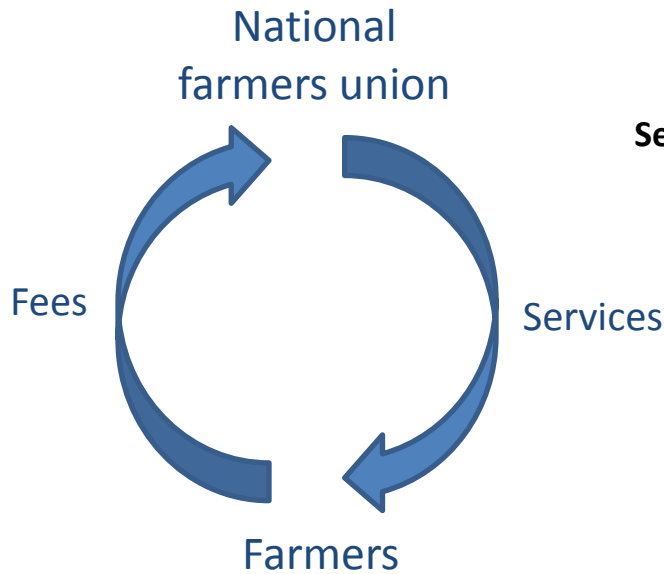


The big picture



The Big Picture

a 'little' picture



Financial support modalities

Project support / Non-pooled funds

Intervention by a single DP using specific procedures to deliver specific outcomes in support of a sector programme

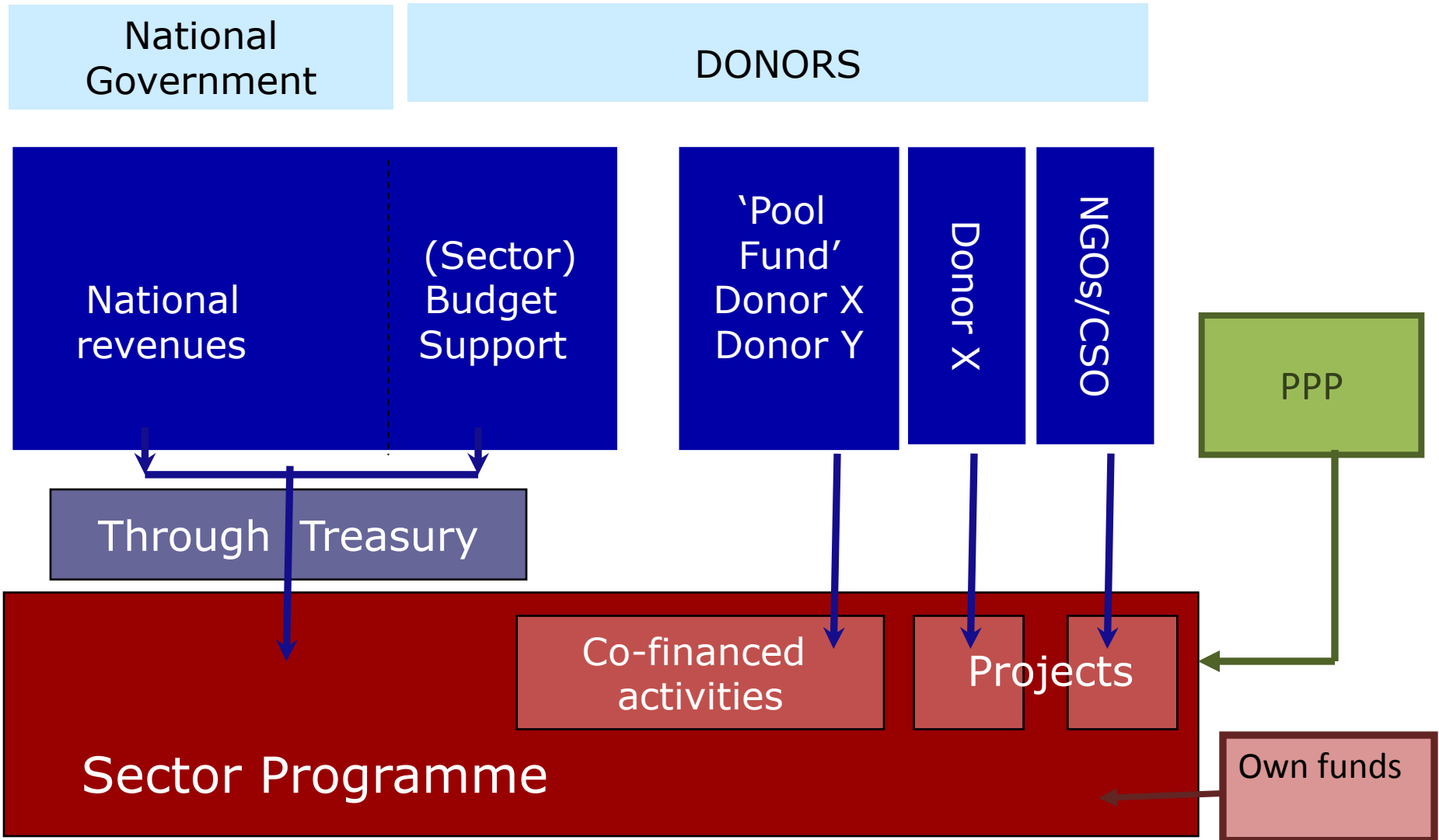
Common Pool Funding

Intervention by a group of DPs using agreed common procedures to deliver specific outcomes in support of a sector programme

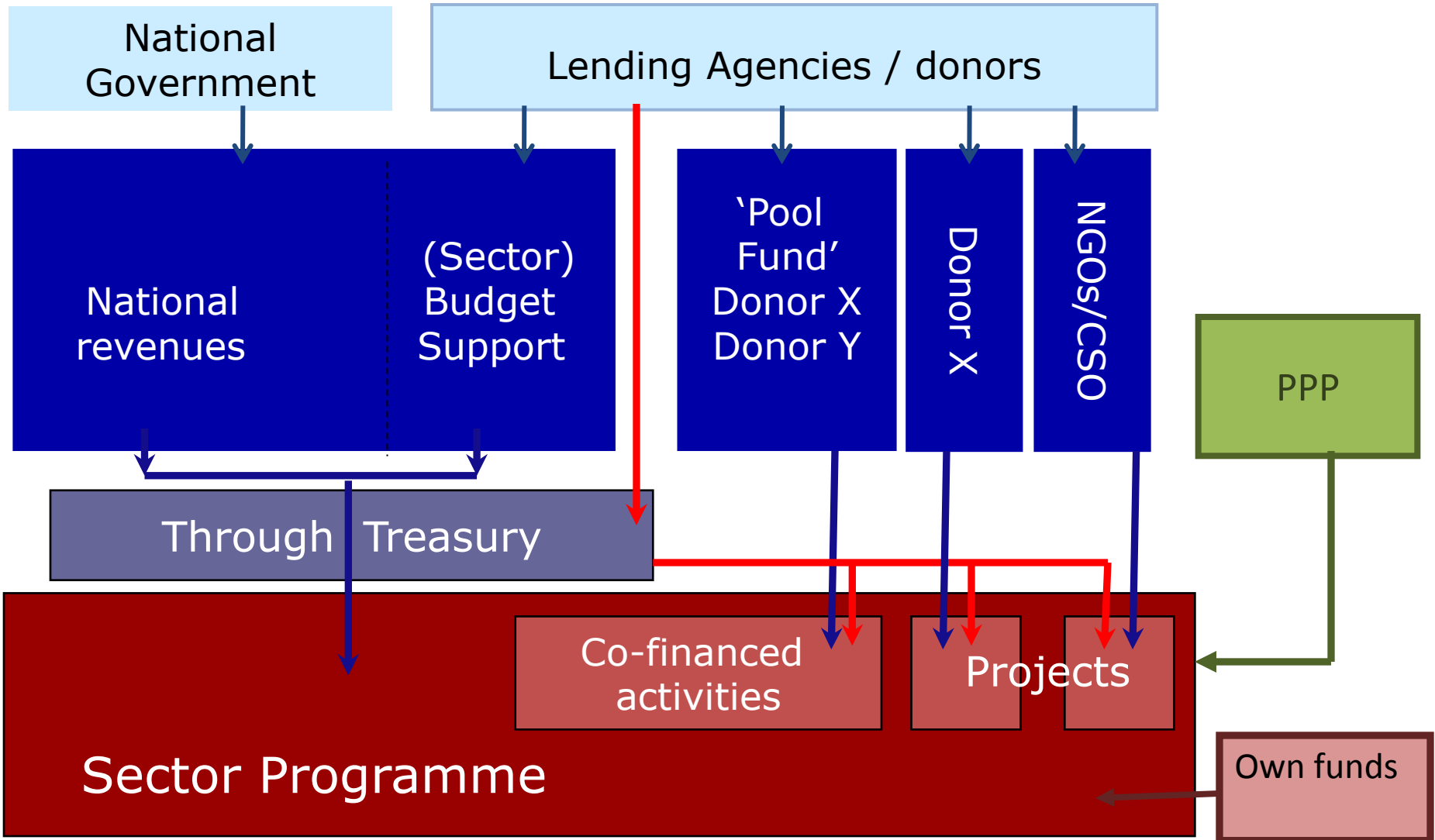
Sector Budget Support

Transfer to the national Treasury in broad support of a *sector programme* & spending framework

Common Financing Modalities



Potential funding flows



The Sector Wide Approach is:

A practical approach to planning & management, which:

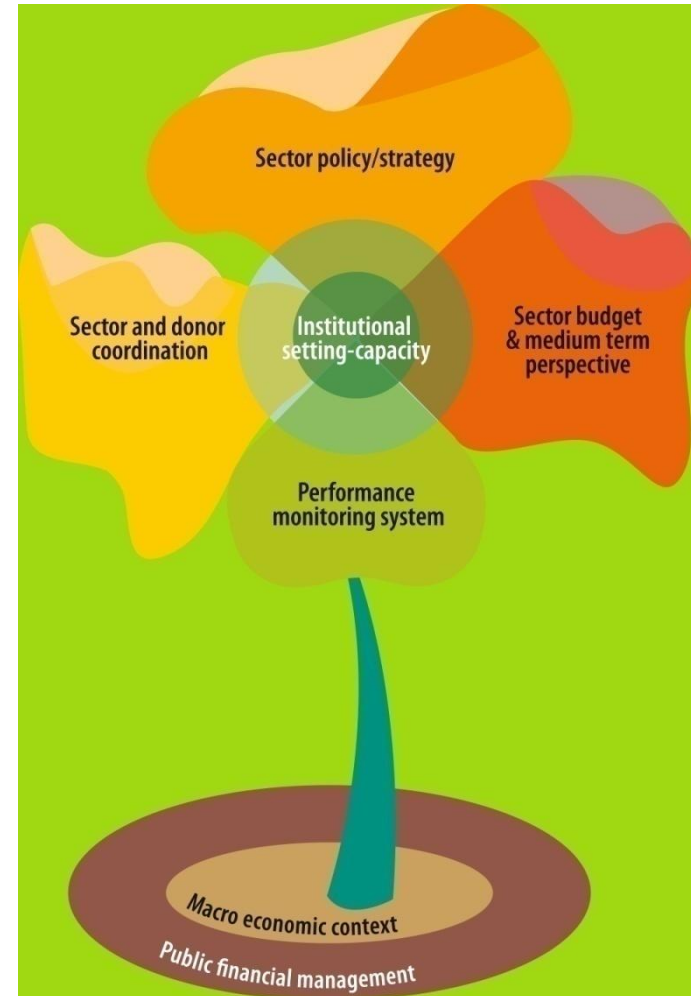
- Identifies inter-related sector constraints & opportunities
- Addresses constraints and opportunities which require coordinated action across actors and sub-sectors
- Strengthens linkages between the sector policy, budget, activities and results

This means that...

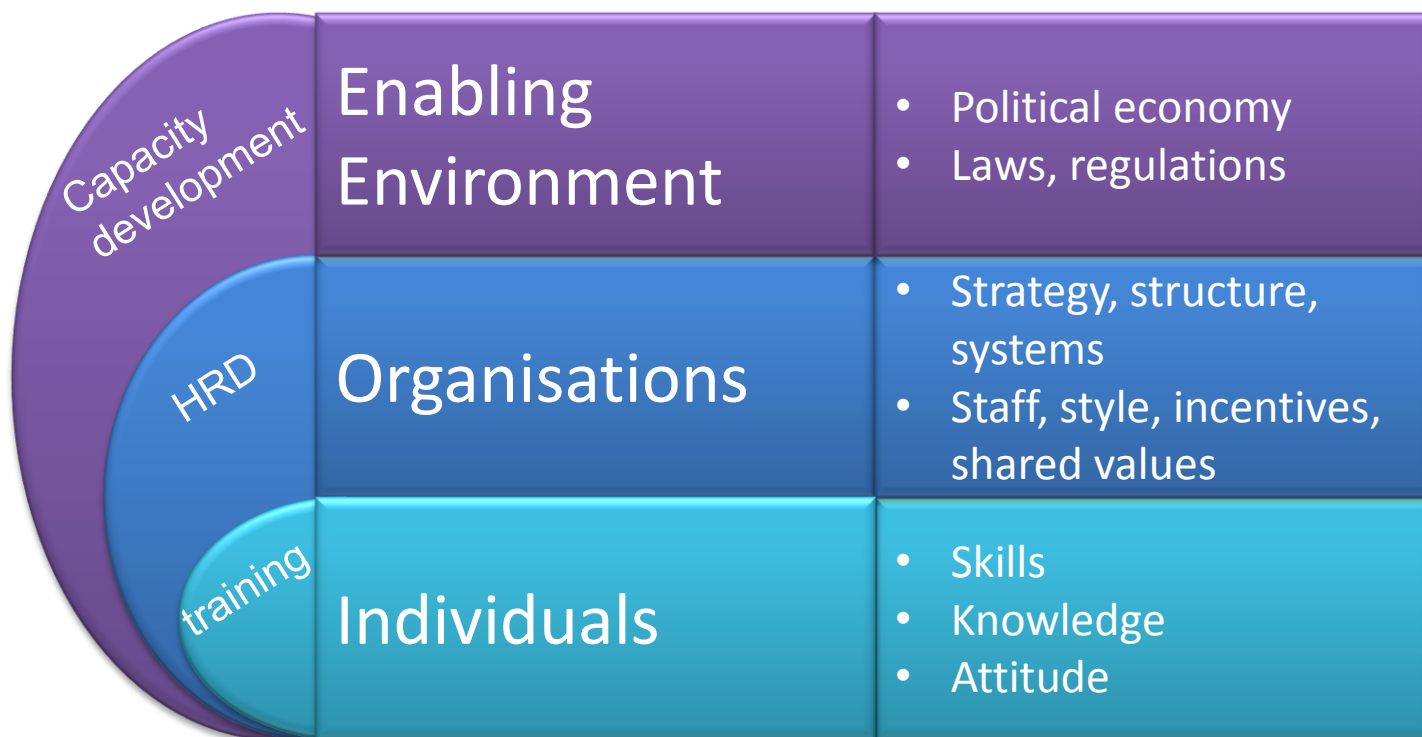
- The SWAp is first and foremost a planning and management instrument for government, which *can* be supported by donors...
- and where it *is* donor supported, the SWAp offers government an effective tool for donor coordination to which all support modalities can be aligned

Elements of a SWAp

- Sector policy & strategy
- Sector budget & its medium term perspective
- Sector & donor coordination
- Institutions & capacities
- Performance monitoring & accountability
- Macro-economic policy
- Public Finance Management system



Capacity - at the heart of the SWAp



Capacity in the public sector is often slow and incremental as it depends many factors at all levels – accountability / incentives - the big picture and the small picture

Enabling Environment

“Political Economy analysis is concerned with:

- the interaction of **political and economic** processes in a society*
- the distribution of power and wealth between different groups and individuals*
- the processes that create, sustain and transform these relationships over time. “*

OECD/DAC

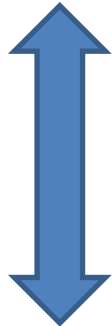
Enabling Environment

We often observe:

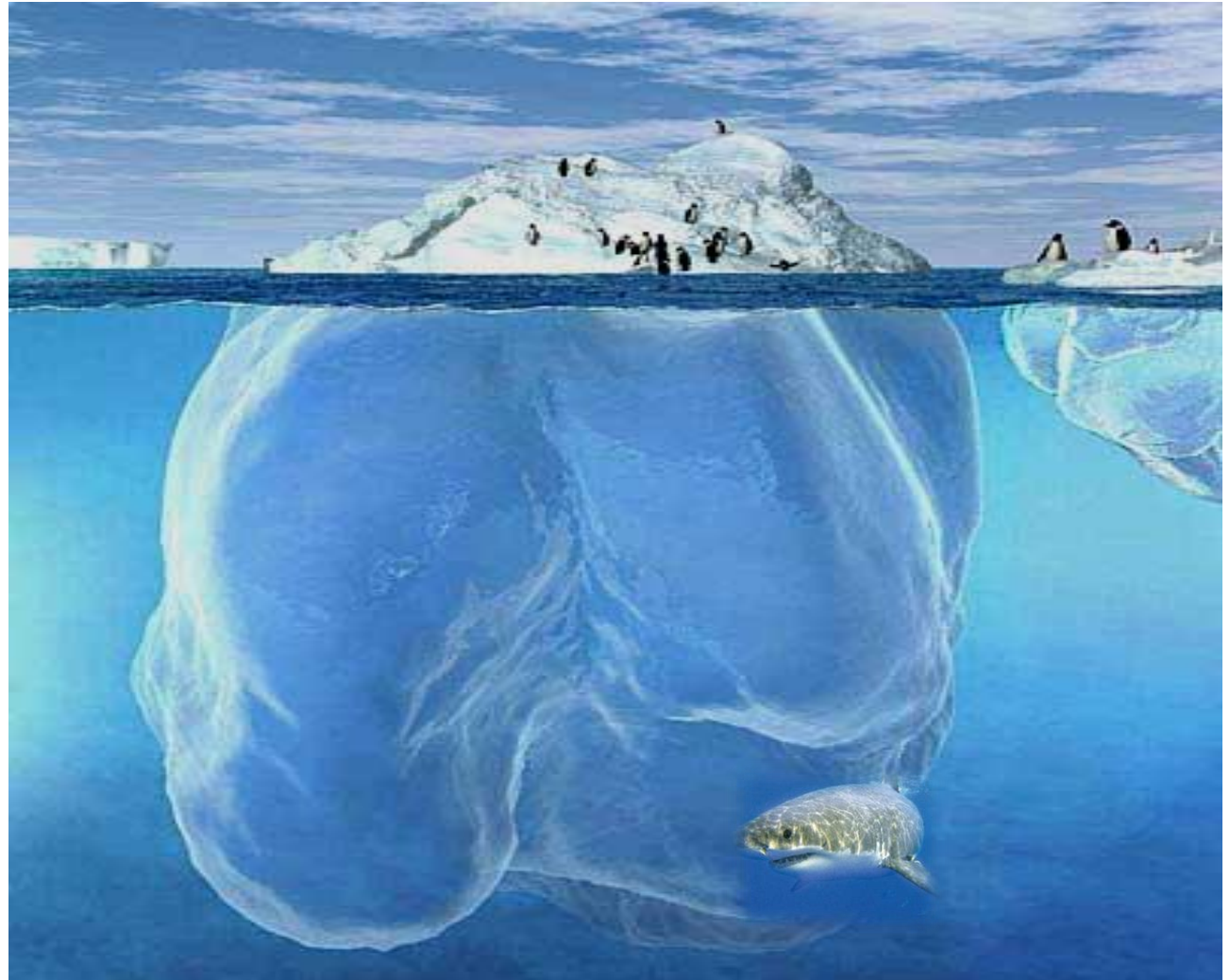
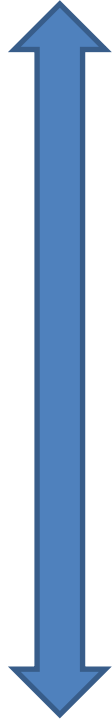
- persistent problems,
- dysfunctional institutions that survive,
- stubborn resistance to reforms and change,
- collective action fails despite participatory approaches,
- capacity building but with little impact

Enabling Environment

Focus of traditional analysis



Focus of political economy analysis



Enabling Environment

Political Economy analysis can:

- Reveal how power and resources are distributed and contested
- Provide insights into underlying interests, incentives, rules and institutions.
- Support more effective and politically feasible development strategies,
- Ensure more realistic expectations of what can be achieved
- Help outline the risks involved.
- Identify the main opportunities and barriers for policy reform
- Indicate how donors can use their influence to promote positive change

GSDRC 2010

[More on PE analysis](#)

Session 2

SECTOR WIDE APPROACHES IN AGRICULTURE

Sector Approaches in Agriculture and RD

	Health, Education...	Agriculture and RD
Sector is:	human and social development	productive
State is:	main service provider and regulator	regulator, facilitator and also service provider
Main source of investment is:	public	private/public: public funds to leverage private investment
Government service provision towards:	mainstream services	focus on enabling environment
Visibility of public expenditure is:	good; around tangible outcomes	not easy; further reduced with private sector led growth
Consensus over policy:	is often there	is often difficult
Institutional reform based on:	re-organisation of responsibilities within the public sector	re-division of roles between public and private actors
No. of actors/ interactions:	lower	higher
Sector is:	homogenous	heterogeneous
Standardisation & up-scaling:	easier	difficult

Problems with SWAps in ARD

- Ownership gaps
 - government - national level bias
 - representatives, legitimacy of Non-State Actors organisations
- Coordination difficulties
 - The ‘SNAP’ effect - Sector Narrow Approach
- Monitoring & Evaluation
 - data availability, what to measure?
- High transaction costs
 - excessive focus on joint financing

Adapting the approach to the sector

“A sector programme should cover all policies and expenditure programmes in an area where fragmentation of planning and implementation would seriously reduce efficiency and output”

Peter Harrold et al, The broad sector approach to Investment Lending 1995:8

In delineating ‘the sector’ a practical approach should be adopted based on: *What needs to be put together for development to work?*

‘How wide is sector wide?’ - part 1

‘The sector’ can be defined in several ways:

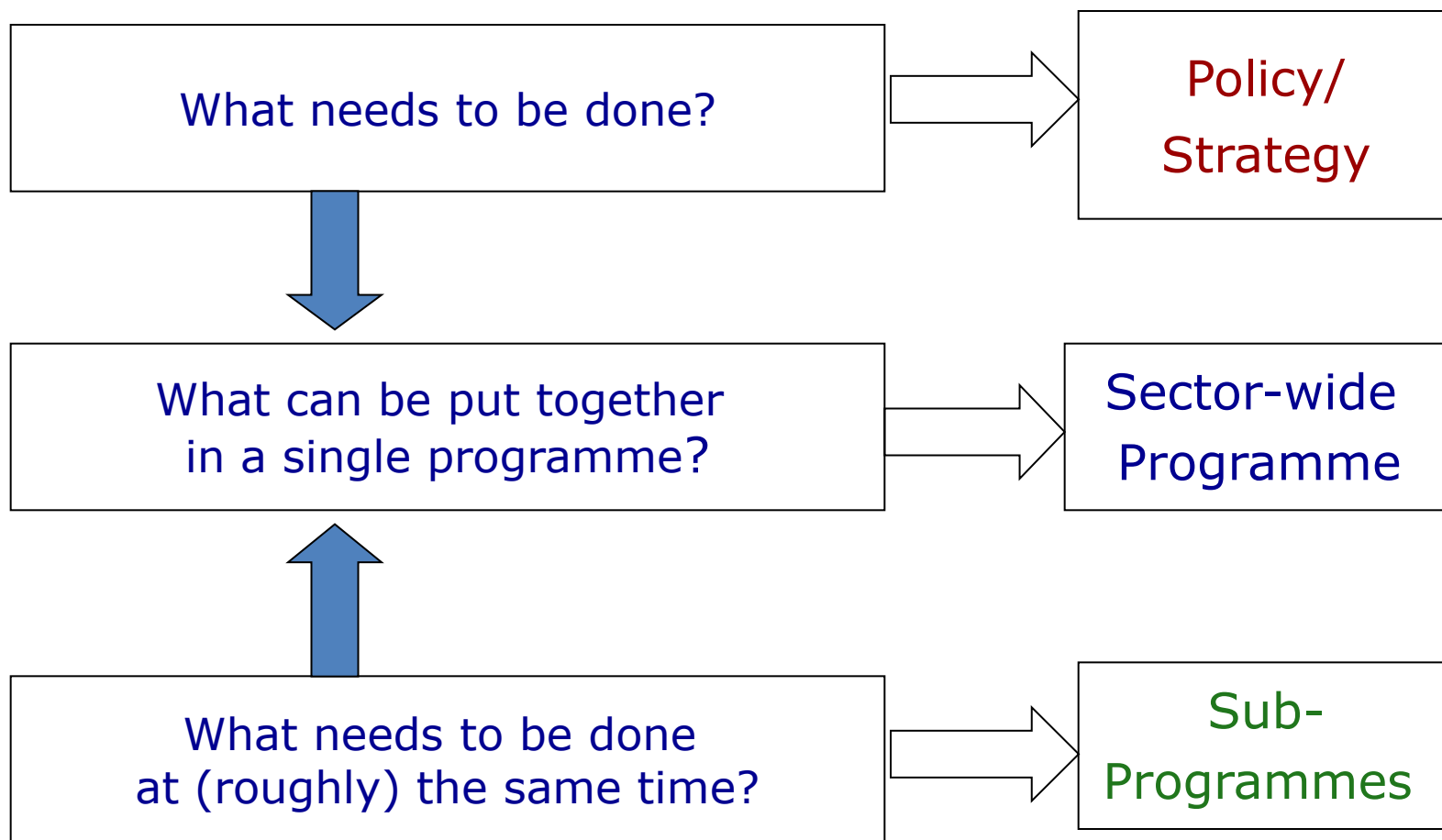
- Based on a socio-economic area that produces specific goods and/or services
- A policy area or group of results
- A geographical area/ territorial concept
- According to how government is organised and based on administrative delineations

‘How wide is sector wide?’ - part 2

‘How wide is the sector’ should also depend on the purpose of delineation:

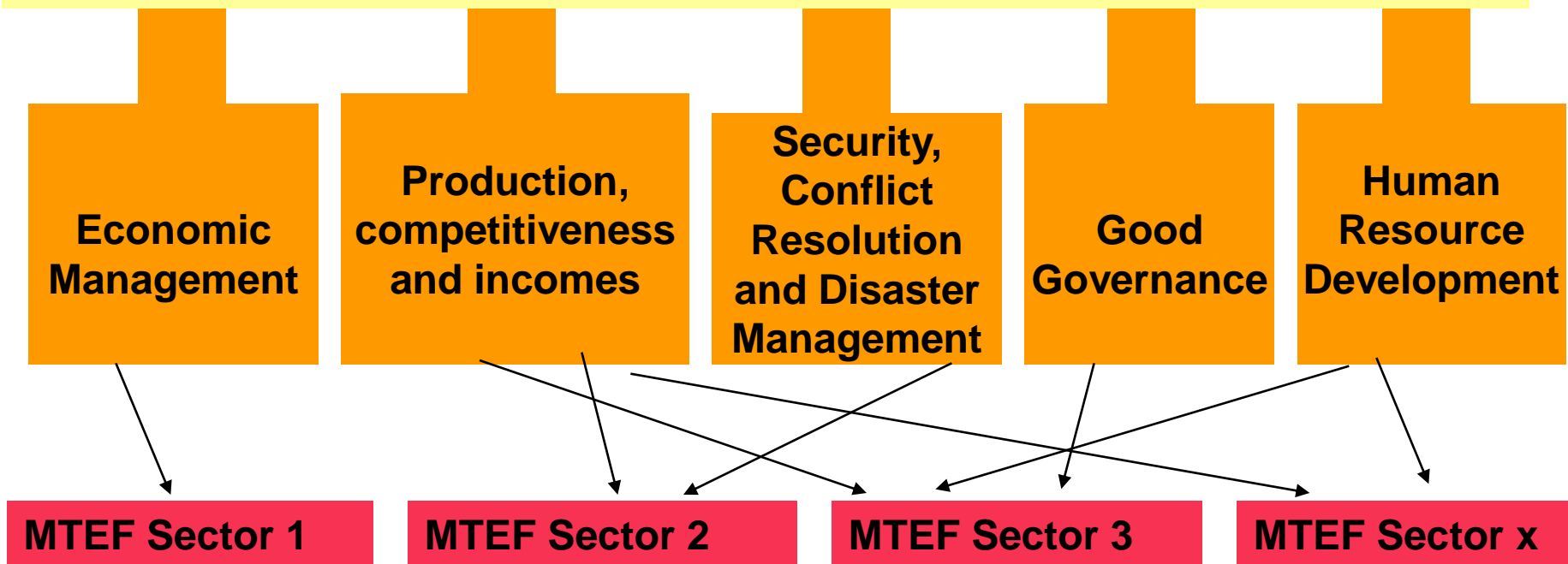
1. The sector-**policy**: may need to be wide to capture inter-dependent linkages in order to have an impact
2. The sector-**programme**: needs to depend on the institutional context and potential conflicts of interest
3. The sector-**budget**: needs to be based on existing budget frameworks and public finance management instruments and procedures

Translating policies into programmes

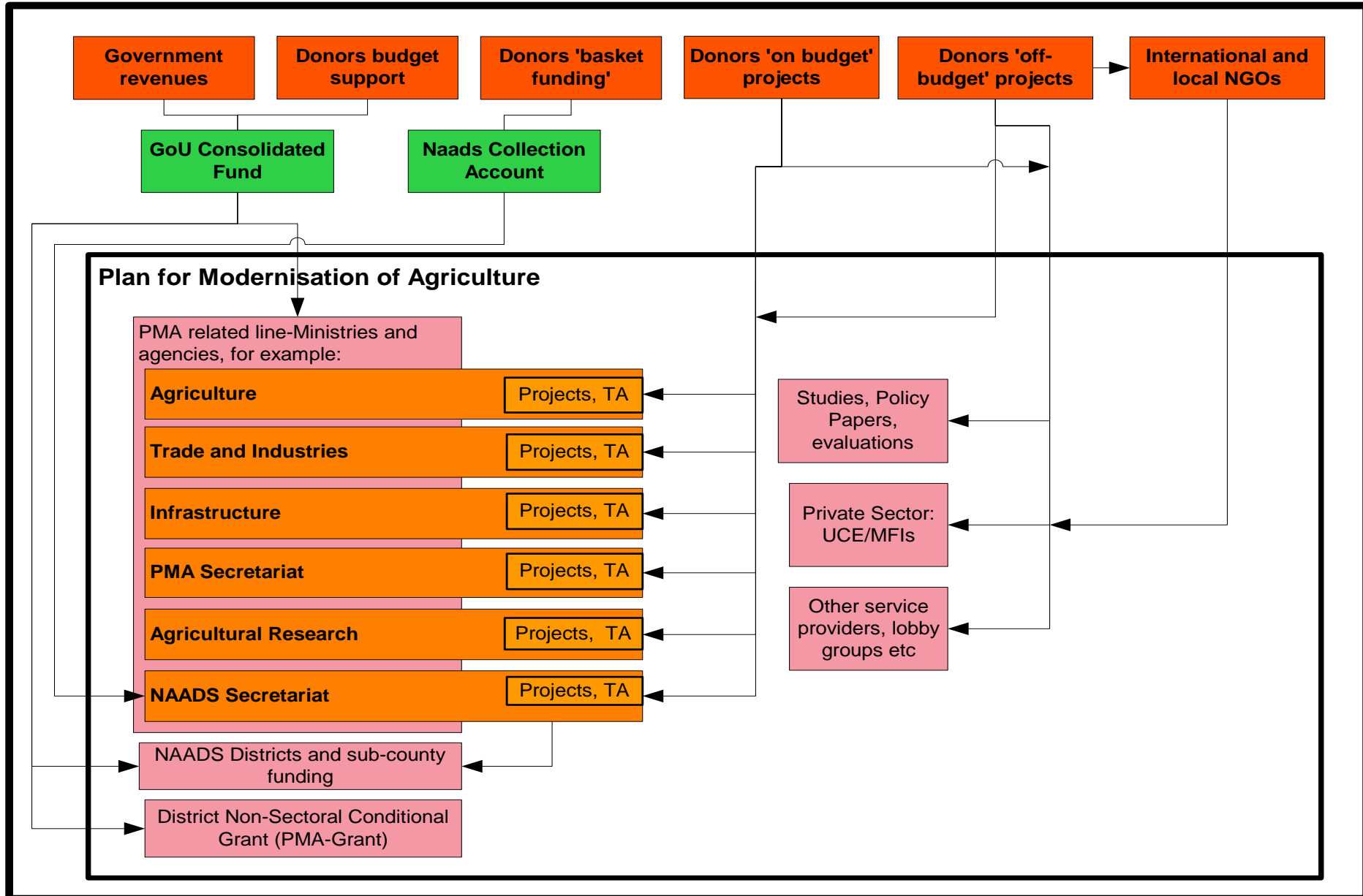


Uganda: PMA (Programme for the Modernisation of Agriculture)

Poverty Eradication Action Plan (1997/2001/2004)

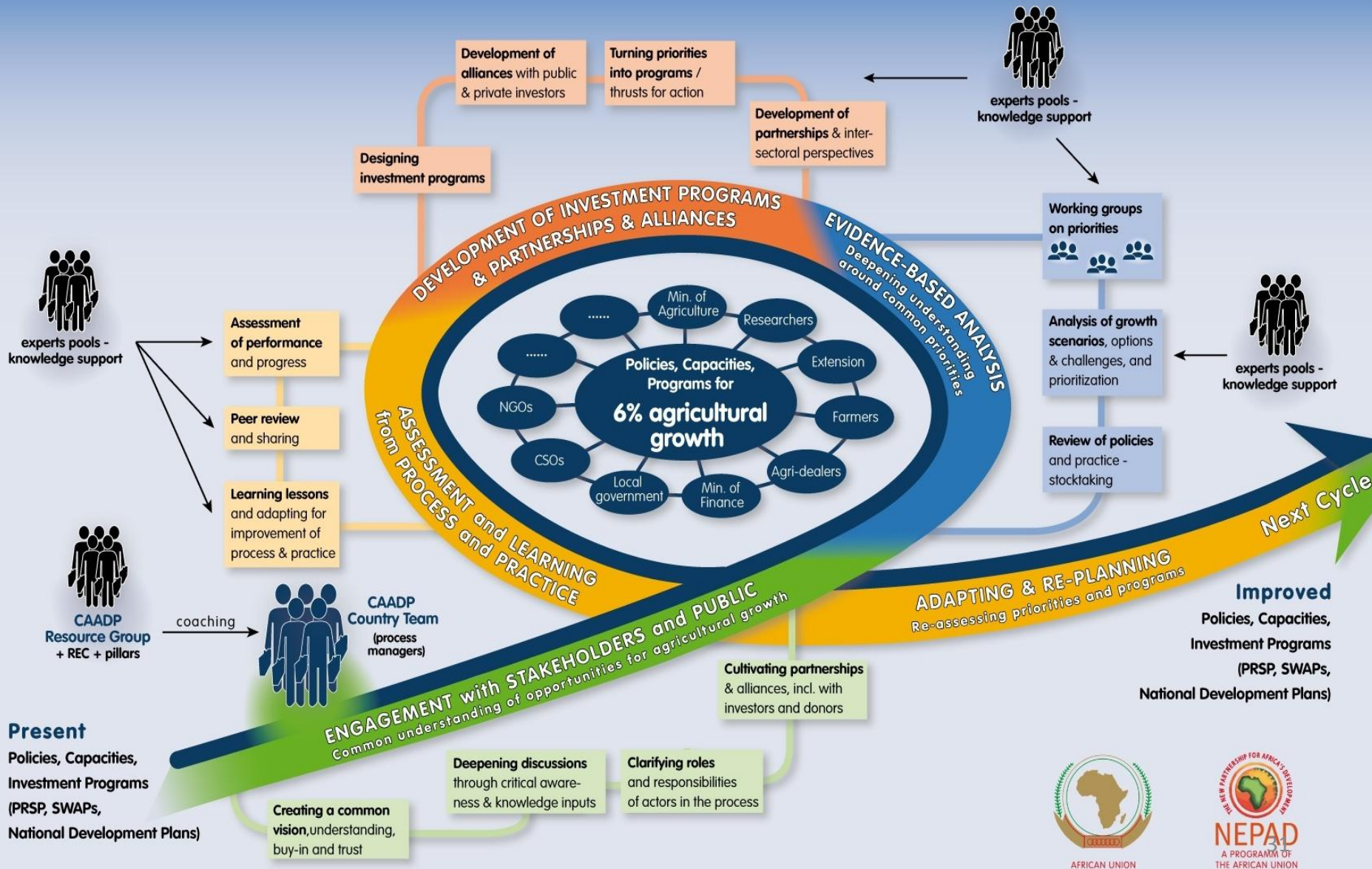


Financing Uganda Agriculture Programme

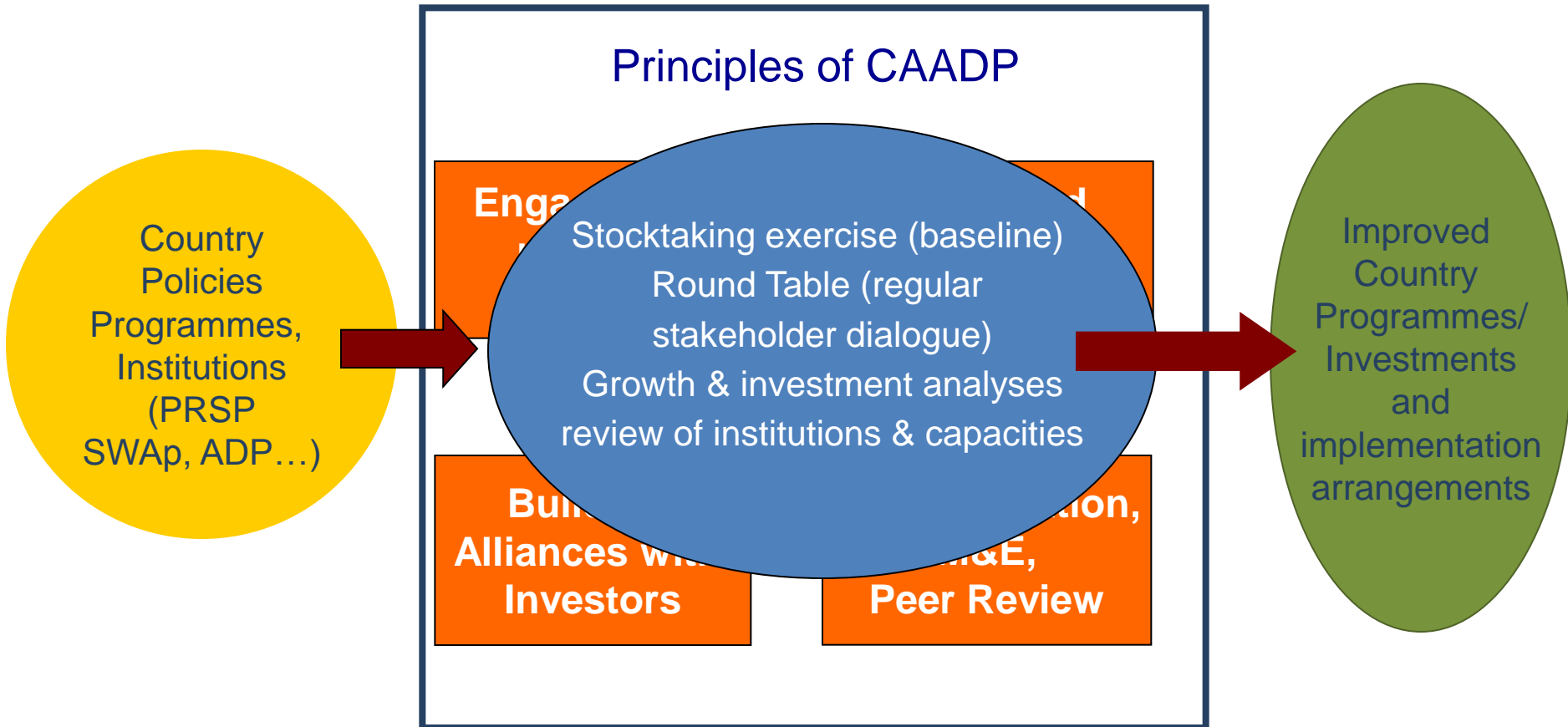


Session 3

COMPREHENSIVE AFRICA AGRICULTURE DEVELOPMENT PROGRAMME (CAADP)



CAADP country processes



Status of CAADP Implementation in West Africa

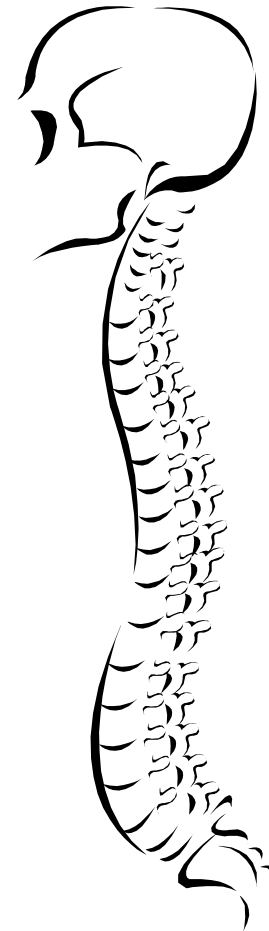
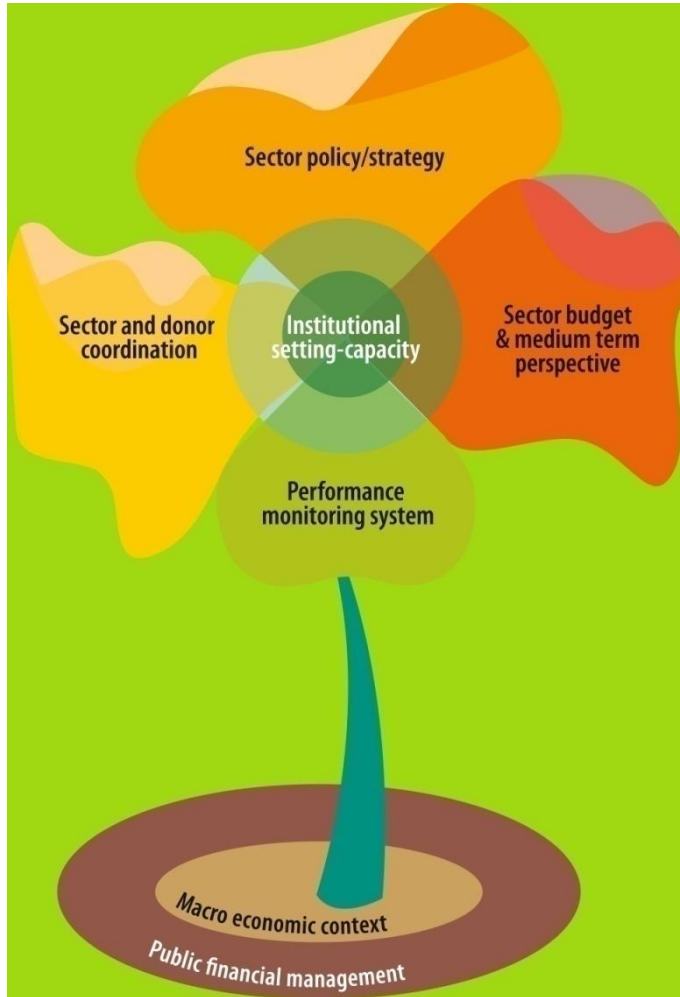
CAADP implementation at country level

Session 4

Core elements of SWAp

Policy - Finance - M&E

Core elements



Policy

Budget

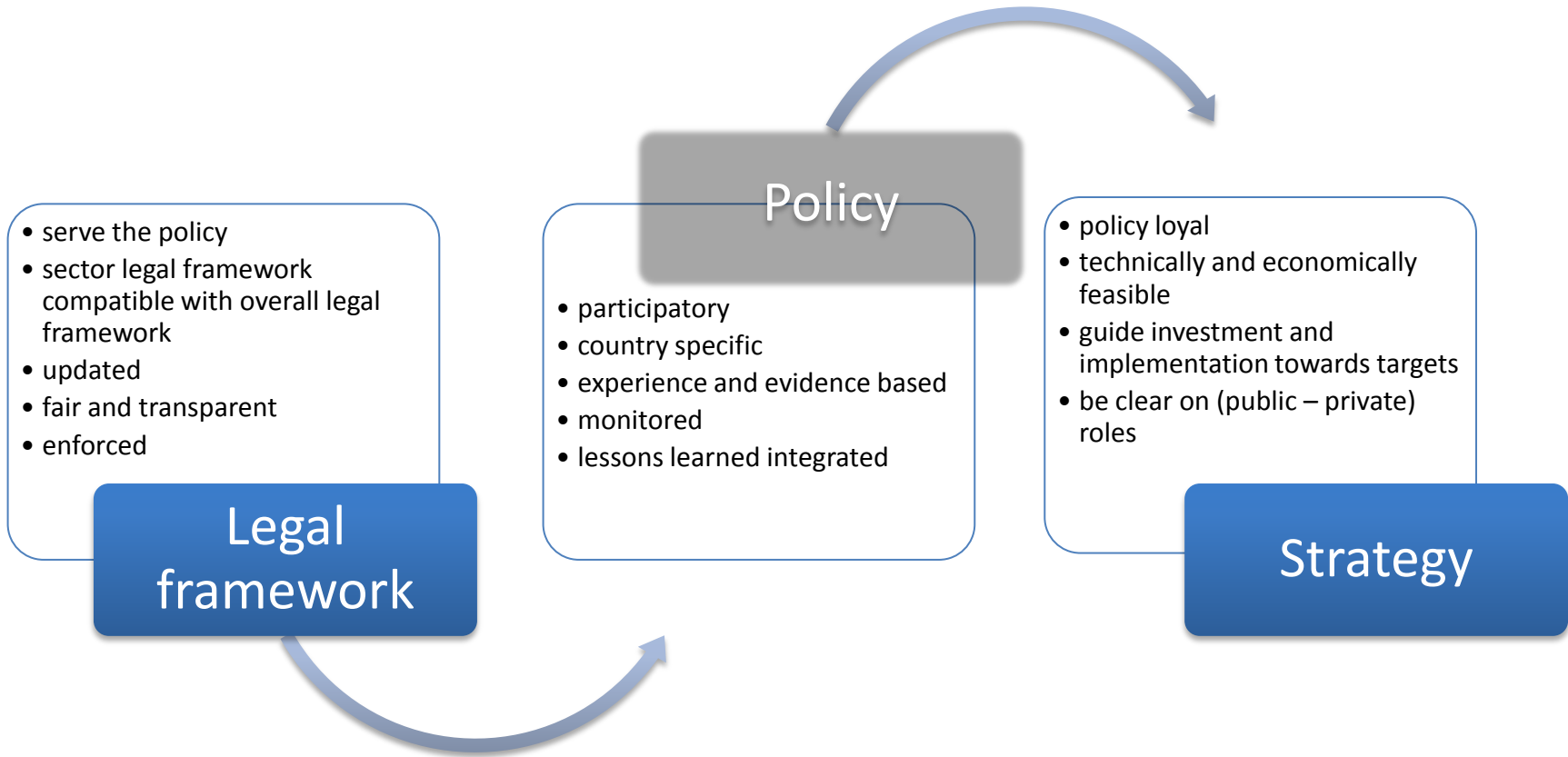
Action

Monitoring

Policy challenges

- Importance of legal and macro-level policy framework
- Policy alignment at the sector level
- Policy is politics: Winners and losers of policy
- Clarity over roles between public and private actors
- Allowing participatory processes but avoiding ‘wish lists’
- ‘Policy or Strategy Compliance’
- Broad policy, narrow functional implementation programme(s)
- Money talks - policy and budget

The Legal Framework as foundation



Common Challenges in Policy

There is no policy

The policy is not good enough

The policy is there but it is not implemented

There are huge gaps in the policy

People are tired of talking policy & want to see action

Important stakeholders have no influence on policy

There are serious differences in opinion between partners and donors

Influential donors don't follow the policy and government lets them

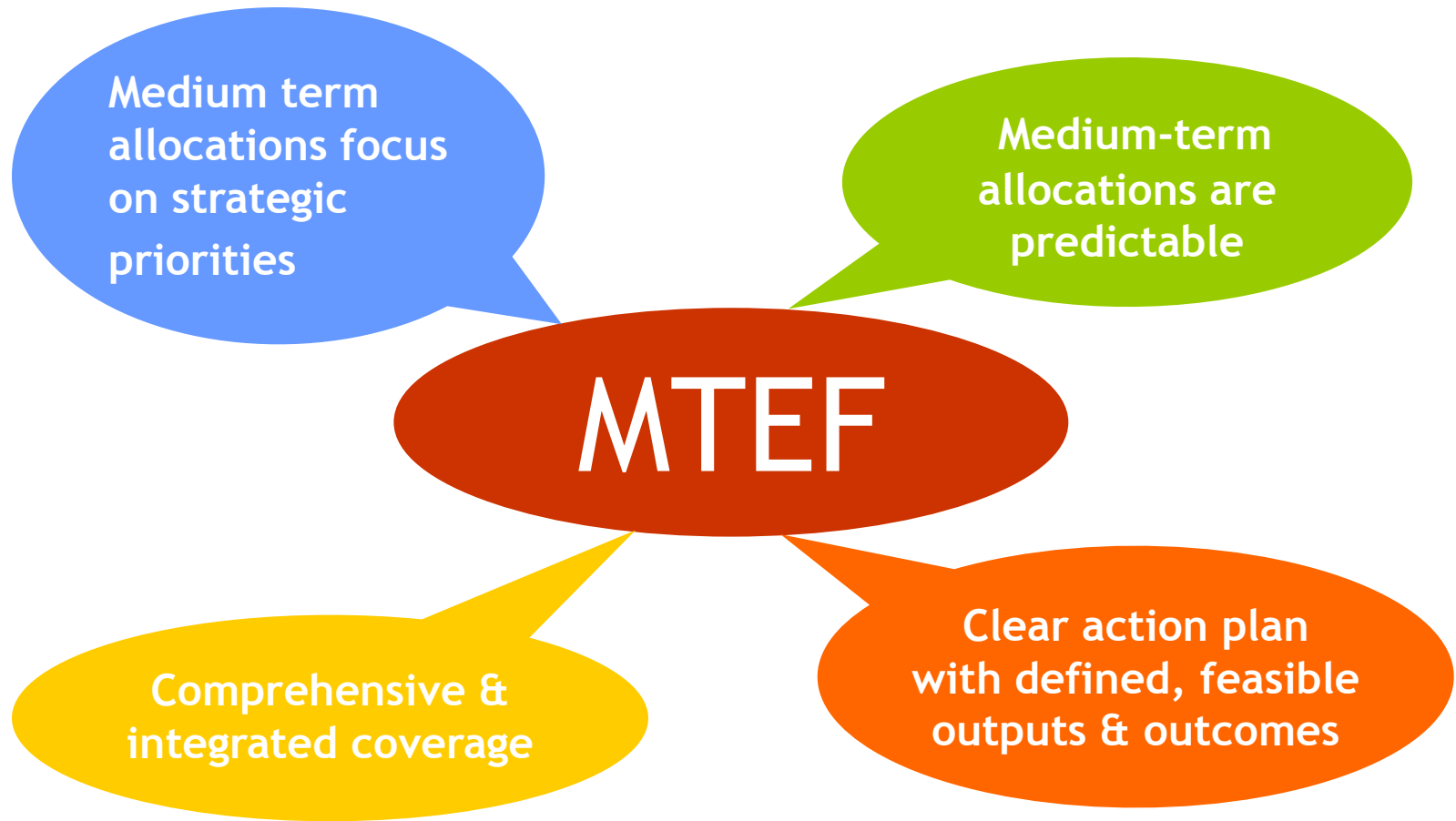
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Finance - Challenges in ARD



- The role of public versus private investment
- Fragmentation of the ‘sector’ budget
- Aligning the (sector) programme budget to country structures
- The importance of revenue streams
- Importance of Non-State Actors (risk of too great a focus on government and the national level)
- Choosing the ‘right’ financial support modalities

Characteristics of an MTEF – a tool for multi-year coherence



The role of the public budget

- The national budget cycle demands attention by sector agencies
 - esp. when less project-based support can be relied upon
- Need for strong link Min of Finance - Sector Ministry
- The role of the public budget to the sector
 - Public expenditure for enabling environment
 - Quality rather than quantity of public investment
 - Link public expenditure - sector development
- The budget as the true reflection of (policy) priorities
- The national budget cycle demands attention by donors

Fragmentation of the sector budget

Risks	Opportunities
Multiple ministries, departments, agencies, parastatals, semi-autonomous agencies	Sector Working Groups to draw together the 'sector budget' from different public agencies
Both public and private funding streams	Use programmatic budgeting
Importance of internal revenue streams	External support (provided by donors) to be recorded in the national budget system
Complicates transparency and planning	Internally generated funds to be subject to the same level of accountability as funds derived from treasury
Weakens accountability	Provide budgetary information to the public
	Strengthen national oversight institutions, e.g. State Audit Offices
	Strengthen capacity of civil society organisations in their lobby and watchdog role

Common Challenges - Sector Budgets

The link between policy and budget is weak

The sector does not have enough 'clout' to fight for limited resources

The sector is the first being cut during the budget year

The sector has come up with a completely unrealistic 'wish-list'

The sector has a preference for projects

Government money may 'crowd out' private investors

Funds intended for strengthening non-state actors and that have been put in the programme budget, do not arrive at non-state actors when programme funds are managed by government

Challenges Monitoring & Accountability



- Distinguishing between purposes of monitoring
- Linking indicators to purpose
- The problem of ‘trigger’ indicators
- Linking public investment to sector performance (‘the missing middle’)
- Measuring the enabling environment
- Strengthening accountability from below

Purposes of Performance monitoring

1. Develop an **evidence** base for policy decisions
2. Provides information for **management** decision making
3. Provides information for domestic and international (mutual) **accountability**

Challenges Monitoring/Accountability

There are no baseline data; or baseline data are not good enough

There are no repercussions for poor performance - impunity

Focus on 'trigger' indicators neglects important work elsewhere

Trigger indicators are the wrong ones – impact indicators that are effected by external causes beyond control of recipient agency

There is no indicator system OR The indicator system is too complicated; there are too many indicators

Performance targets agreed upon with donors are not met – while donors are under pressure to disburse

An overview in 10 steps

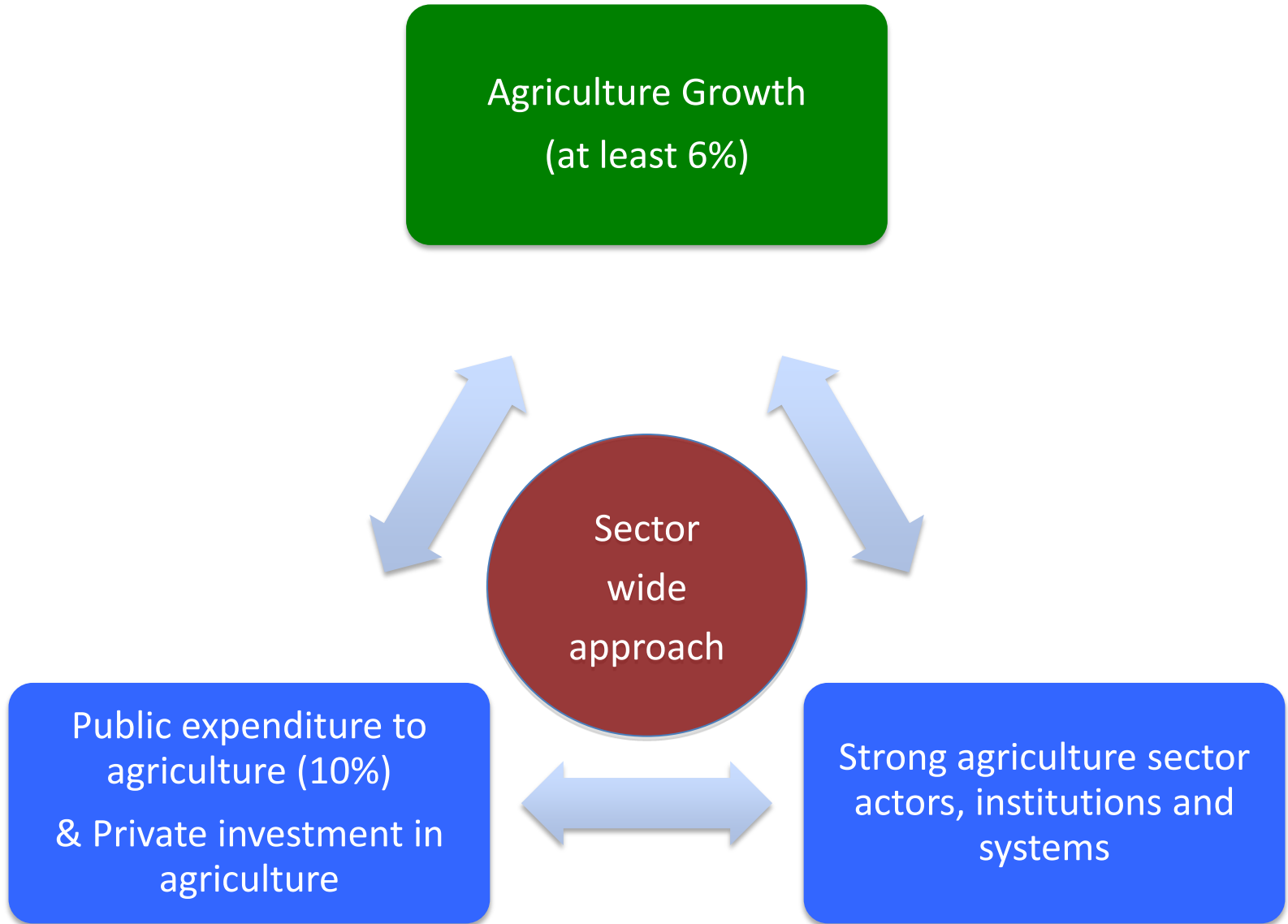
1. SWAp as an organising principle ‘S as in **System Wide Approach**’
2. It is common sense but not common practice - process rather than product
3. Evolution of the approach - from aid effectiveness agenda to country led
4. The sector approach backbone - policy - money - results
5. The big picture - the importance of domestic accountability
6. The many small pictures - day to day accountability within the sector, making the market work
7. Financial modalities and the sector approaches are two different things - aligned projects can still play a role
8. A convincing / credible sector approach leads to the conditions of supporting national systems from within - sector budget support
9. How to balance between making a sector approach too wide or too narrow? Wine glass
10. Keep it simple - use 80/20 rule

Session 5

CAADP and SWAPs in Agriculture

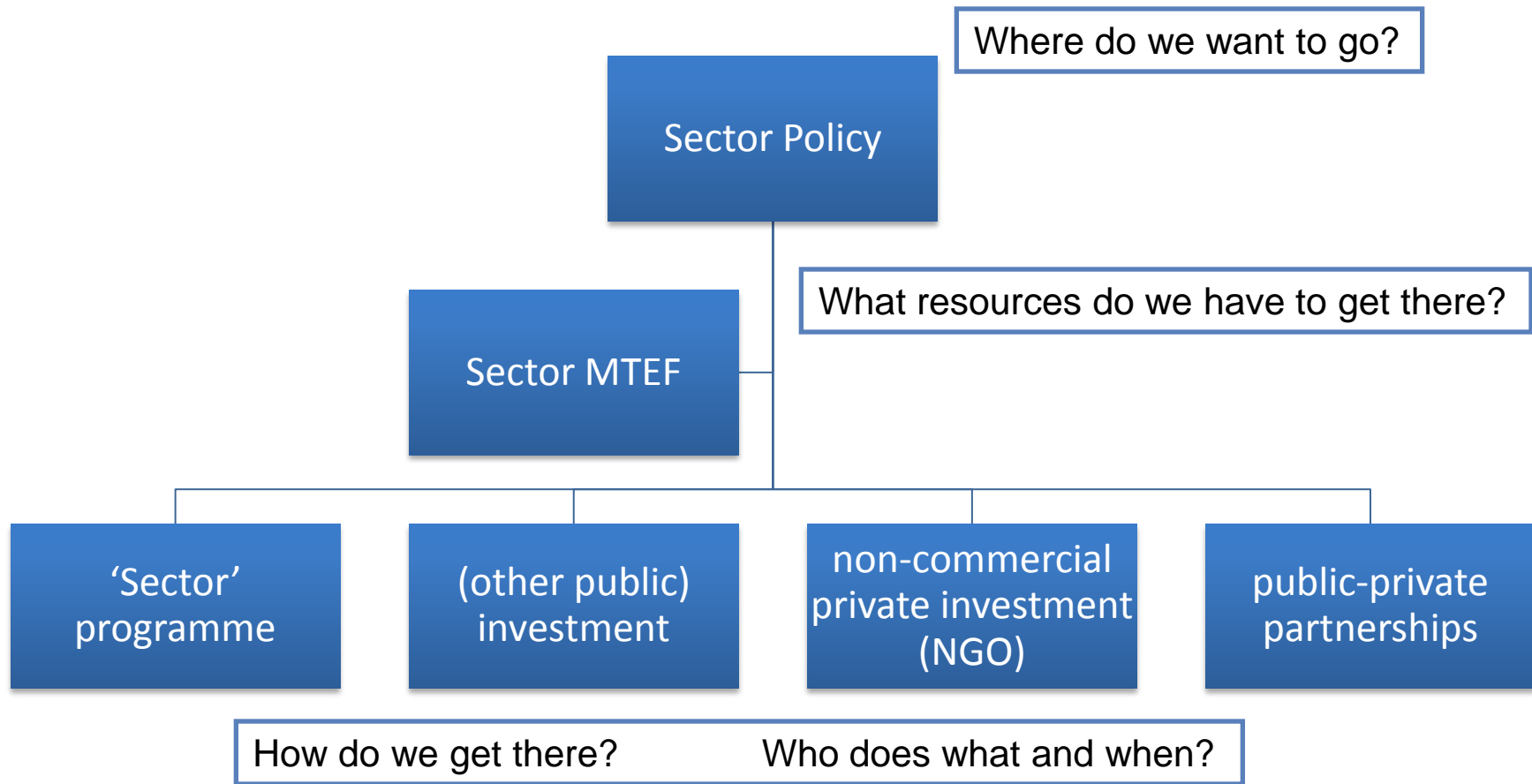
The CAADP Country Process **IS** a SWAp!

- It looks at the agricultural sector as a whole
- It aims to strengthen linkages between policy, budget, activities, monitoring
- It focuses on building country capacity
- It fosters alignment of donor support behind country owned agriculture development plans

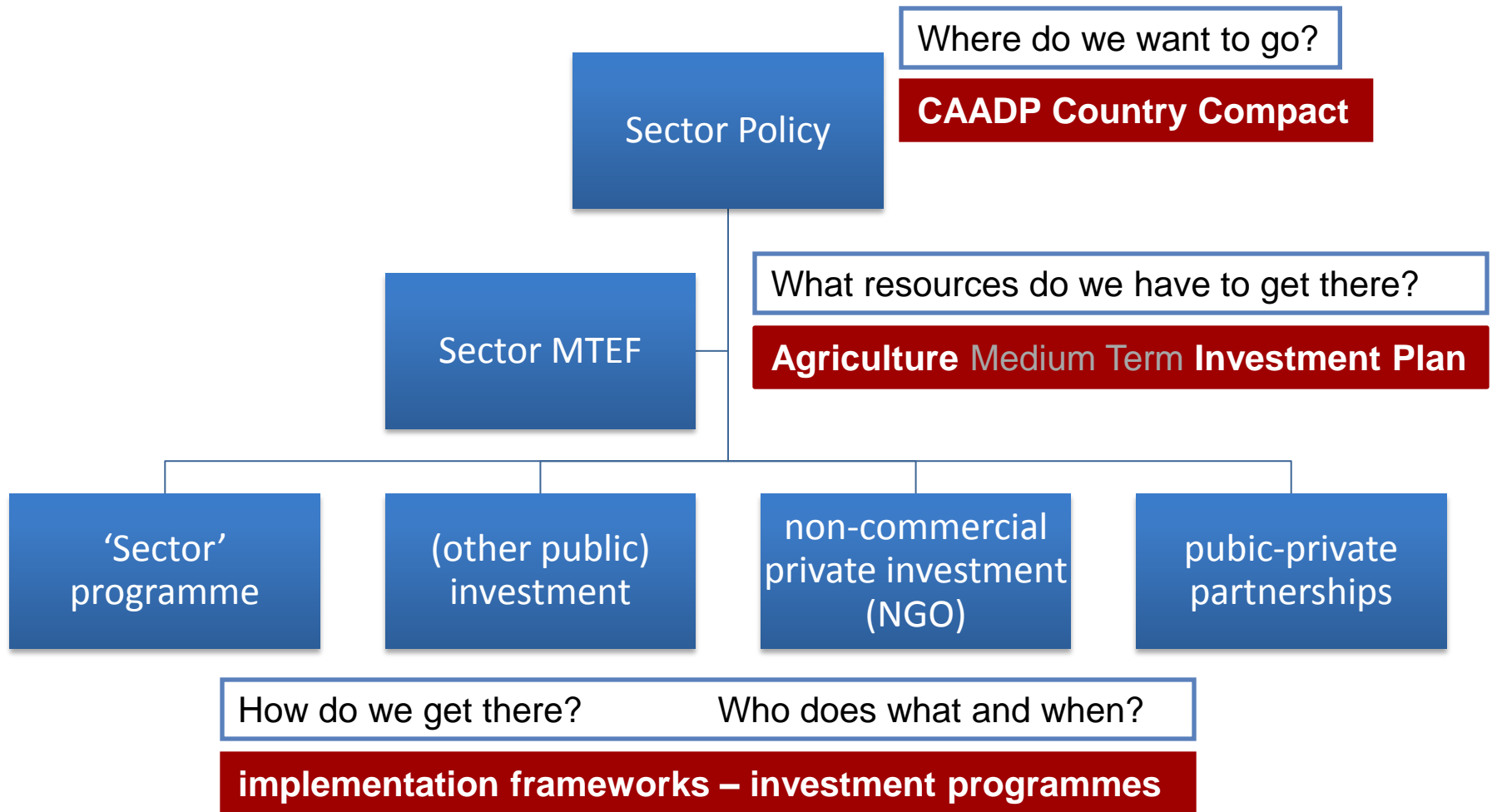


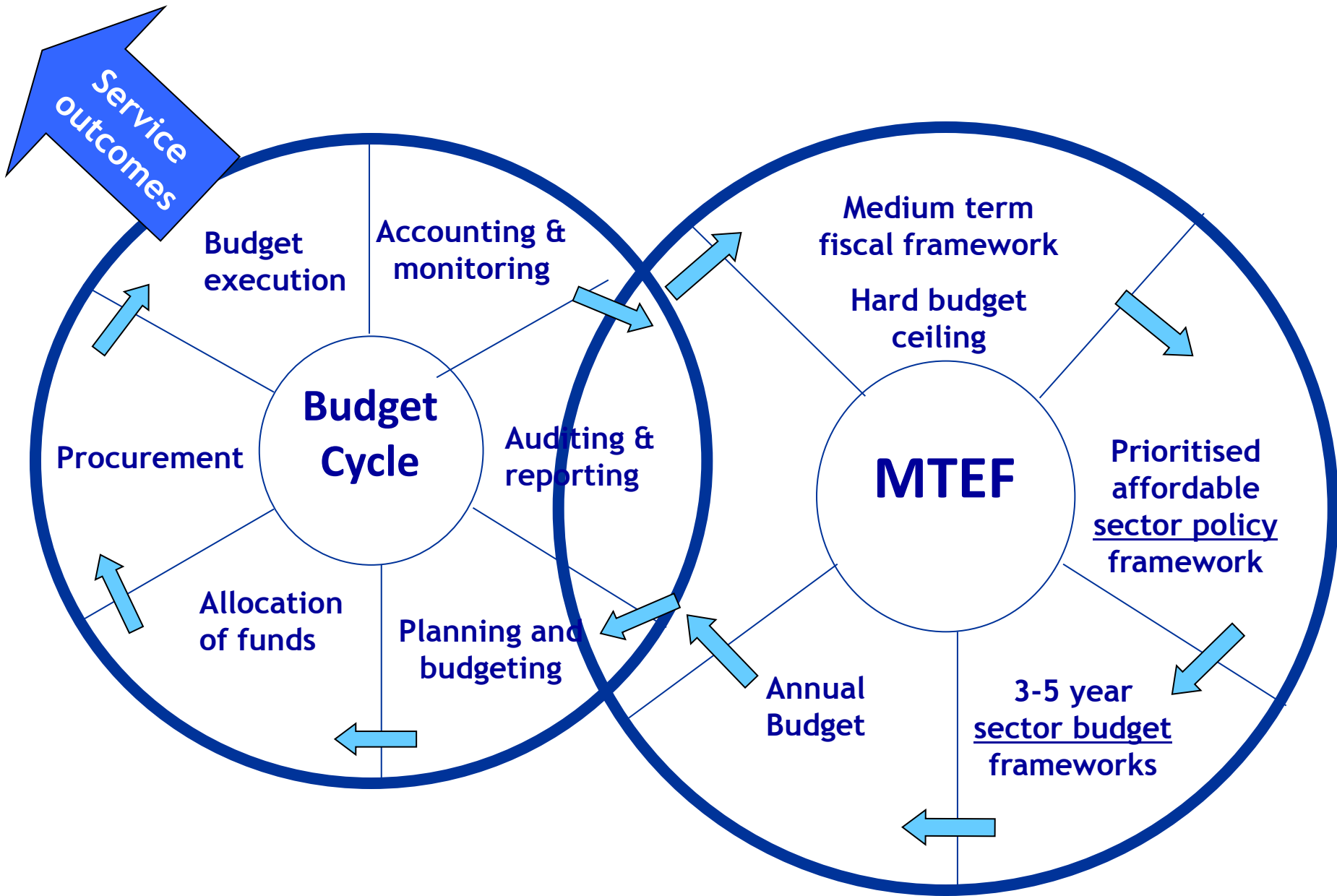
	SWAp	CAADP
Purpose	Increased agricultural growth	Increased agricultural growth
Since	mid 1990s	2005 onwards
Original reason	Ineffective aid + collapse of country PFM systems	Slow and uneven agriculture growth
Current main objective	Strengthened country systems for the sector	Up-scaling of best agricultural practices
A new approach to	Sector management	Investment planning
Emphasis	Government ownership, policy dialogue	Country ownership, inclusiveness
Focus is on	Public expenditure (government and donor)	Private investment (domestic and foreign)
Approach to	Public management of the sector	Planning of investment in the sector
Scope	Very variable: tailored to need	Sector-wide

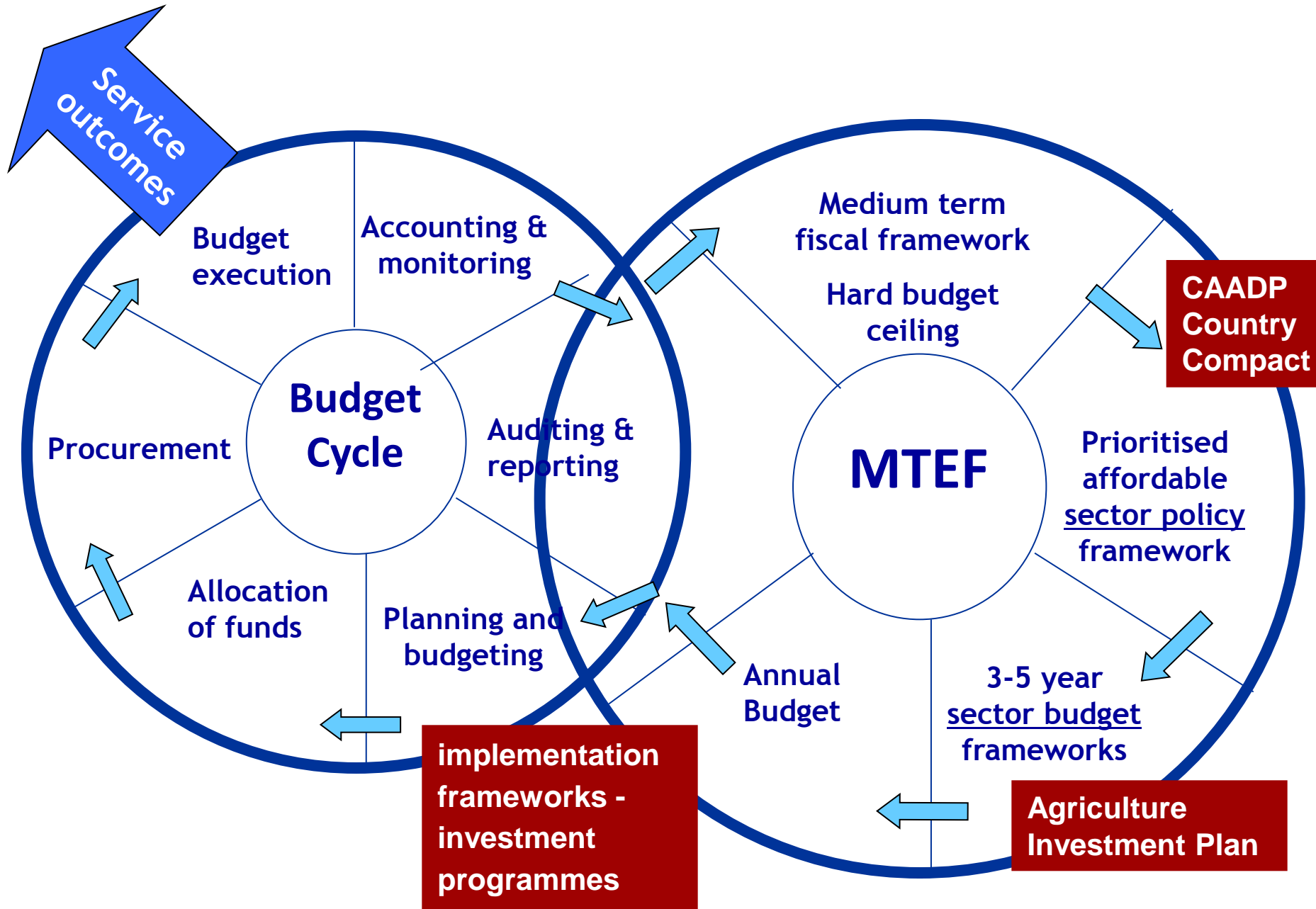
Sector building blocks



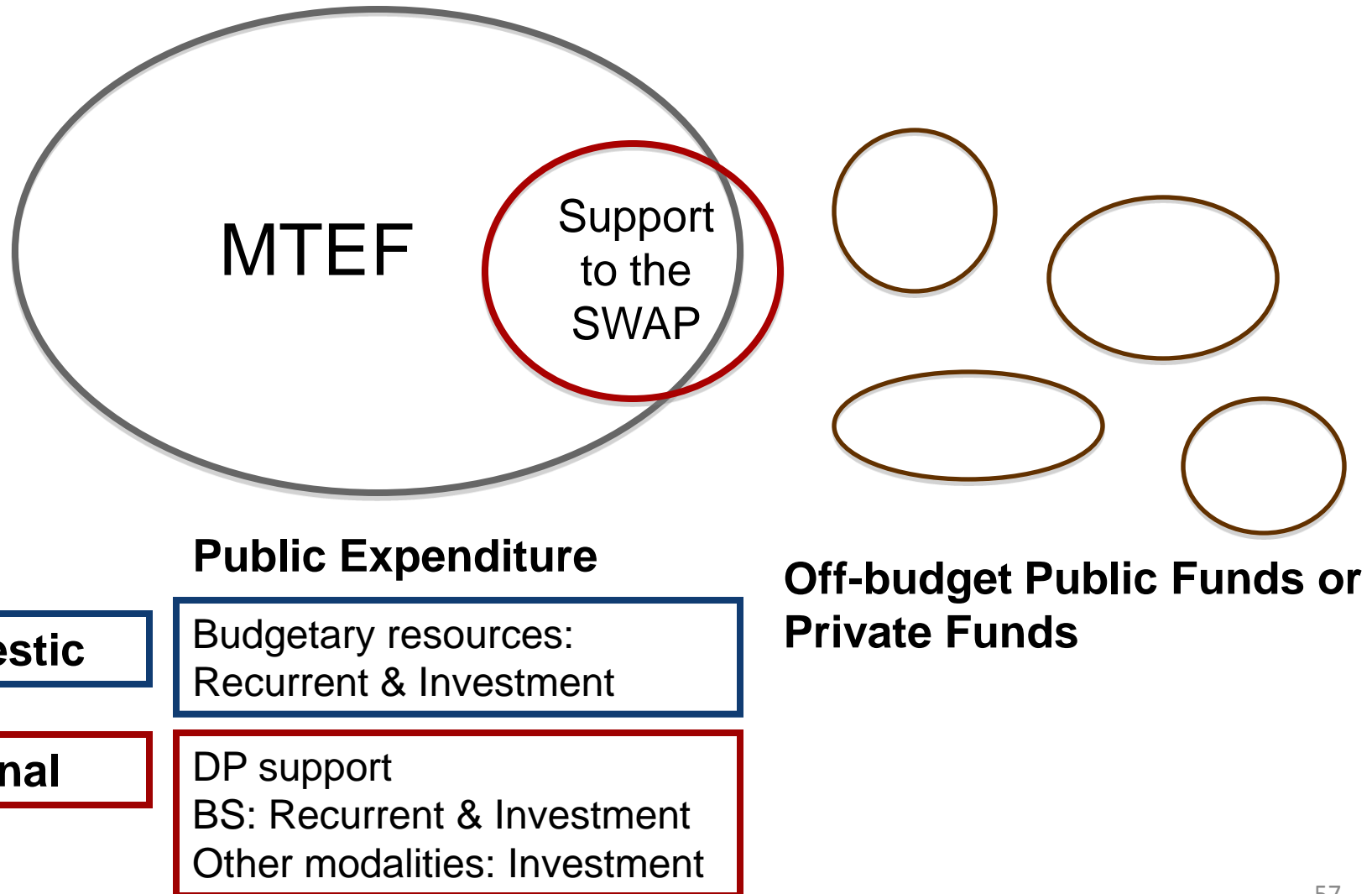
How does it all fit together?



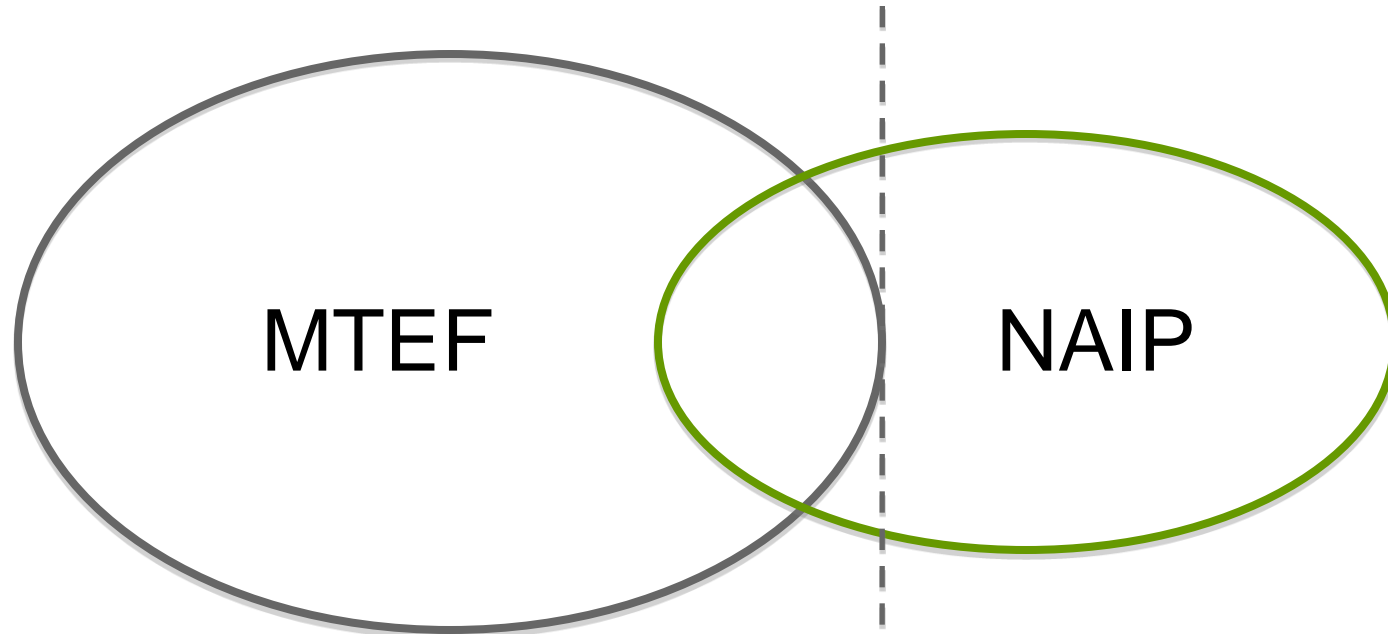




MTEF and Agriculture Sector Support



MTEF and Agriculture Investment Plan



Public Expenditure

Domestic

Budgetary resources:
Recurrent & Investment

External

DP support
BS: Recurrent & Investment
Other modalities: Investment

Private investment

National private investors
National NGOs, Churches

Global private investors
NGOs, FOs, Global funds

CAADP Country Process



Public Expenditure

Domestic

Budgetary resources:
Recurrent & Investment

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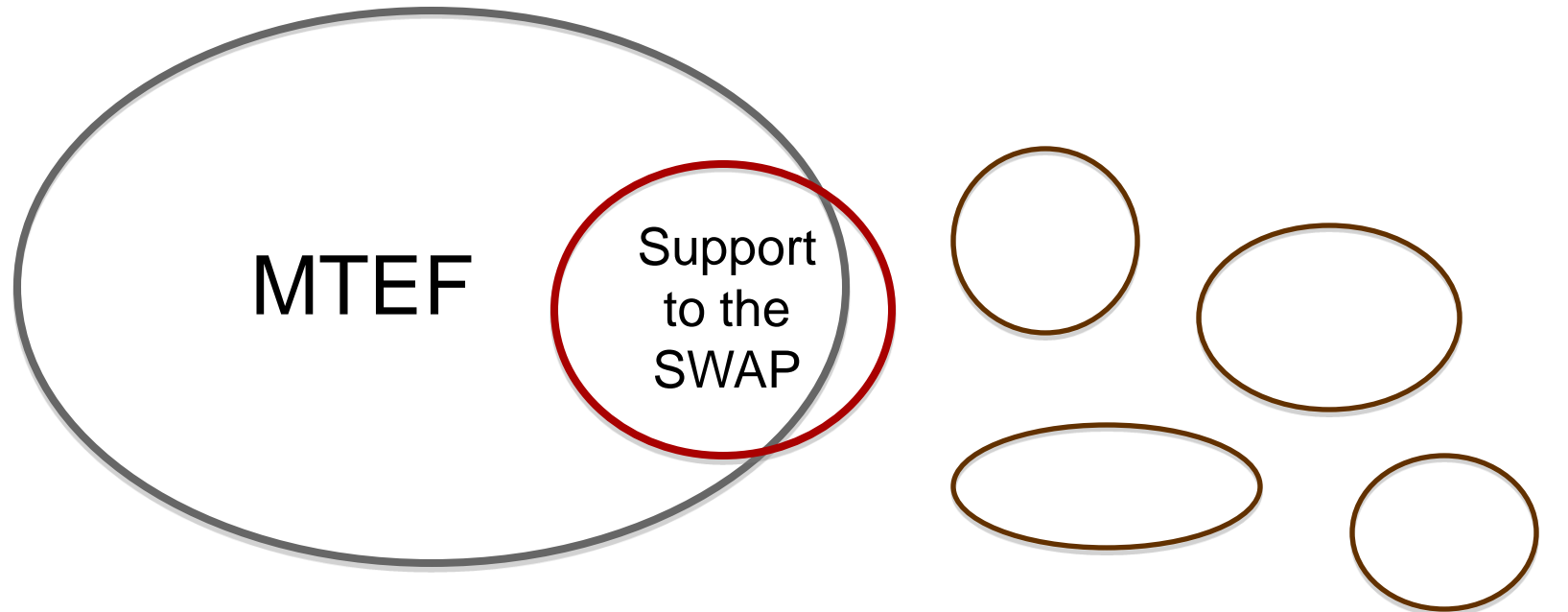
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MTEF and Agriculture Sector Support



Public Expenditure

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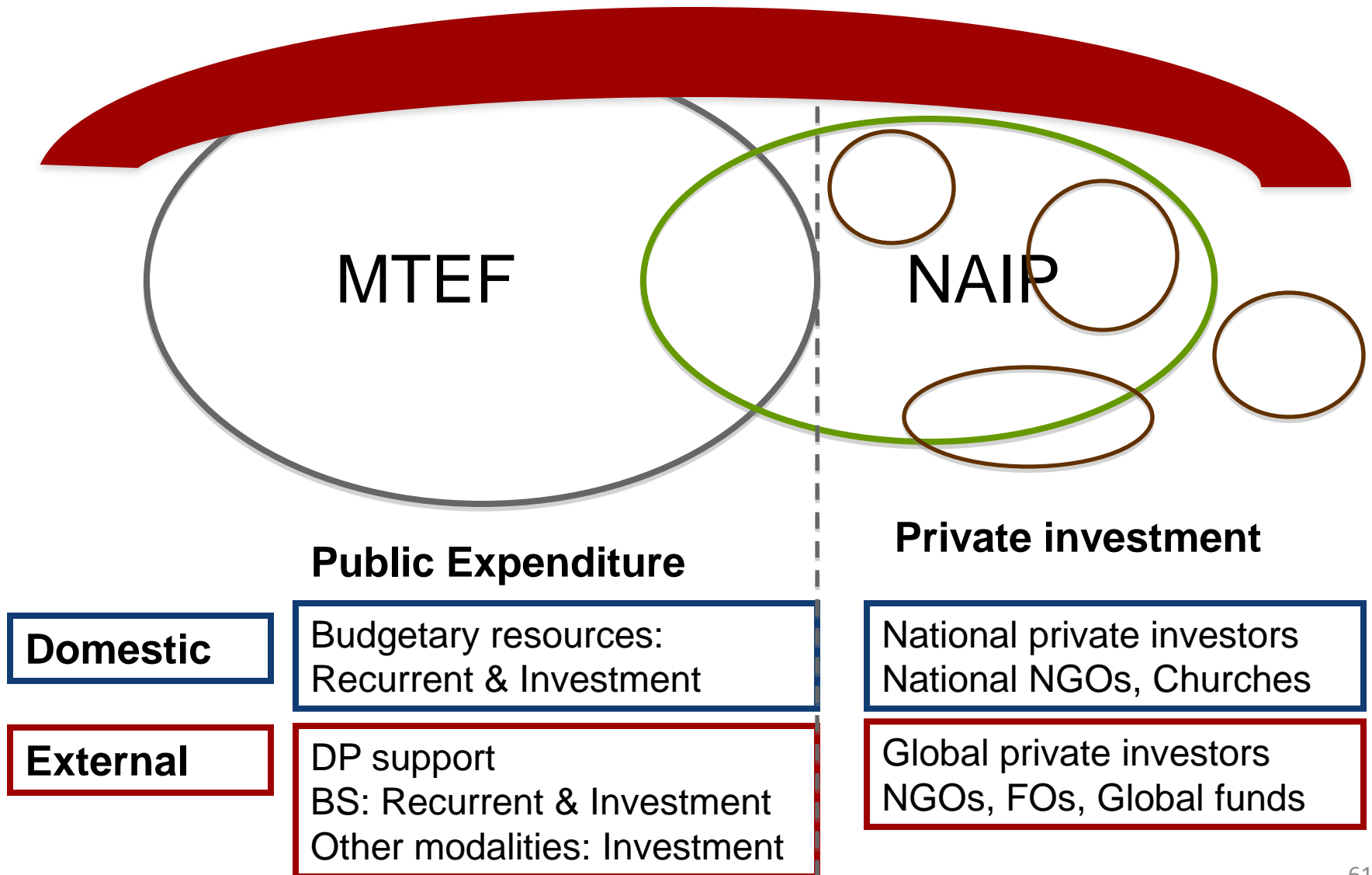
Budgetary resources:
Recurrent & Investment

External

DP support
BS: Recurrent & Investment
Other modalities: Investment

Off-budget Public Funds or Private Funds

CAADP Country Process



Summary

- The CAADP process can add value to country-systems of policy, planning and public finance by:
 - making the policy dialogue more inclusive (involving both state and non state actors)
 - capturing cross-sector linkages (e.g. between agriculture growth & land, water, trade and infrastructure)
 - linking public and private investment in the sector (in the Agriculture Investment Plan)
 - offering a framework for alignment for all development support (incl. that provided by NSAs like NGOs and (global) private funds)

ECOWAS' Regional Agriculture Investment Plan

Experiences with NAIPs and SWAp at country level

GROUP WORK BY THEME

Themes: Five - plus three?

1. Linking NAIPs to the national budget process
 2. Public expenditure as a leverage to private investment
 3. Building partnerships and involving non-state-actors
 4. Strengthening monitoring and accountability
 5. Development partners support and modalities
-
1. Policy - Managing the gap between paper and practice
 2. CAADP and Agriculture SWAPs
 3. Challenges and opportunities of decentralisation

Group-work management

- Pick your theme
 - Check your reflection/action sheet
- Pick your language
 - Wherever you are most comfortable
- Each group elects:
 - Chair
 - Reporter
 - Presenter

Tasks: Three - plus two

Under the Theme selected (e.g. linking NAIP to budget):

1. Identify challenges in different countries - examples
2. Identify opportunities in different countries - examples
3. Distil lessons learnt in how to progress under the theme
 - Which lessons can be replicated to other ECOWAS countries?
4. For a selected country: 'Unpack' a critical challenge and identify 'next steps'
5. Prepare a presentation

Common Challenges: NAIP - Budget

The NAIP is not reflected in the national budget for the agriculture sector

There is a considerable NAIP-funding gap

Most of spending in Agriculture is outside the control of the Ministry for Agriculture – though the Ministry is in charge of NAIP implementation

(Investment) funds spend by the government are not part of the NAIP (e.g. parallel programmes)

Much of public spending in Agriculture is not captured in the national budget (e.g. off-budget DP contributions)

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GROUP WORK BY COUNTRY

Objective

To come up with a consensus around:

‘Realistic and feasible ‘next steps’ in fostering Agriculture Growth via an inclusive and comprehensive approach’

And a plan towards:

‘How to get these ‘next steps’ onto the national agenda and taken up by the ‘drivers of change’ in agriculture’

Group management

- Go into your country group
- Pick a quiet corner
- Elect:
 - Chair
 - Reporter
 - Presenter

Tasks: Five (- plus two)

1. Reflect over your Action Sheets
2. See if there is a pattern (same issues cropping up?)
3. Prioritise 1-3 main issues for action (e.g. by voting)
4. Under each issue: identify up to 5 Next Steps
5. For each Next Step (or action) mention:
 - Who leads?
 - Who else is involved?
 - By when to be carried out / completed?
 - How much does it cost?
 - Challenges that might be faced?

Tasks: (Five) - plus two

1. Make a plan for getting the next steps onto the national agenda and being taken up by key drivers in agriculture
2. Make a power point presentation