

Supporting results-based programmatic approaches in Cambodia

*** Note for consultation ***
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I. Background

Programme-based approaches (PBAs) are the Royal Government of Cambodia's (RGC) preferred tool for implementing sector strategies and core reforms. PBAs are regarded as a mechanism to promote national ownership of development programmes, ensure coherent programming of resources, strengthen national capacities and systems, and, most important, to deliver development results. At the third CDCF meeting in June 2010, RGC and its development partners endorsed the PBA approach and agreed to move forward with their development in order to maximise the combined impact of domestic resources and external development assistance.

This note clarifies the definition and purpose of a PBA. It then identifies the principal components of a PBA, which may be adopted by RGC Ministries and agencies with their development partners, working together in the Technical Working Groups. It then proposes a 'menu of options' of support that, upon request from a Ministry, agency or TWG, can be provided by the Cambodian Rehabilitation and Development Board (CRDB) of the Council for the Development of Cambodia (CDC), in its capacity as the RGC's designated aid management focal point.

Support will be designed and tailored to enable a practical diagnosis of challenges in a particular sector or programme together with next steps to be taken. This customised and applied approach has been described as a "clinic".

II. Defining a programme-based approach

A programme-based approach is defined in terms of its objective. This is usually stated as an effort by Government to lead a sector (e.g. health), thematic issue (e.g. gender) or a reform programme (e.g. public financial management, decentralisation) in a coordinated way to achieve results in an efficient and sustainable manner.

A PBA is defined as way to work together in a coordinated partnership under Government's lead to achieve results in an efficient and sustainable manner

The key words, which are underlined above, require some elaboration:

Leadership – The PBA is a nationally owned programme. Government sets out policy, identifies how resources are to be used, defines implementation arrangements, manages coordination arrangements, and establishes effective monitoring mechanisms.

Coordination – all partners engaged in a PBA participate in policy dialogue and review. Resources are programmed in a comprehensive and coherent framework in line with the RGC budget and public financial management reforms. Partnerships are established to ensure effective information sharing, learning and effective use of resources.

Results – a clear framework of expected results at output and outcome level is associated with the respective policy and expenditure frameworks. These results are to be articulated at the level of the sector or programme and all external resources are to be programmed to support their realisation. Project-level results frameworks are to be based on sector policy.

Efficiency – working arrangements are to be agreed and implemented so as to minimise the financial and administrative cost of delivering a defined output. PBA portfolio reviews and a focus on using national systems are examples of how efficiency can be promoted.

Sustainability – is to take account of capacity and financial considerations. Sector resources should be used to develop capacity and systems, while the integration of recurrent and capital expenditure frameworks will ensure that public investment is effectively managed and maintained over the longer-term. Appraisal of new projects, identification of the drivers of costs and inclusion of all resources and expenditures in a sector budget framework are methods of promoting sustainability.

It should be noted that:

(i) no particular working practices are prescribed. A PBA is intended to represent a national programme so that all domestic and external resources are managed within a comprehensive framework.

(ii) a PBA does not come with a blueprint, although a number of common components have become associated with a PBA, based on their broader public service reform underpinnings (e.g. efficiency, performance, results and accountability) that informs the approach.

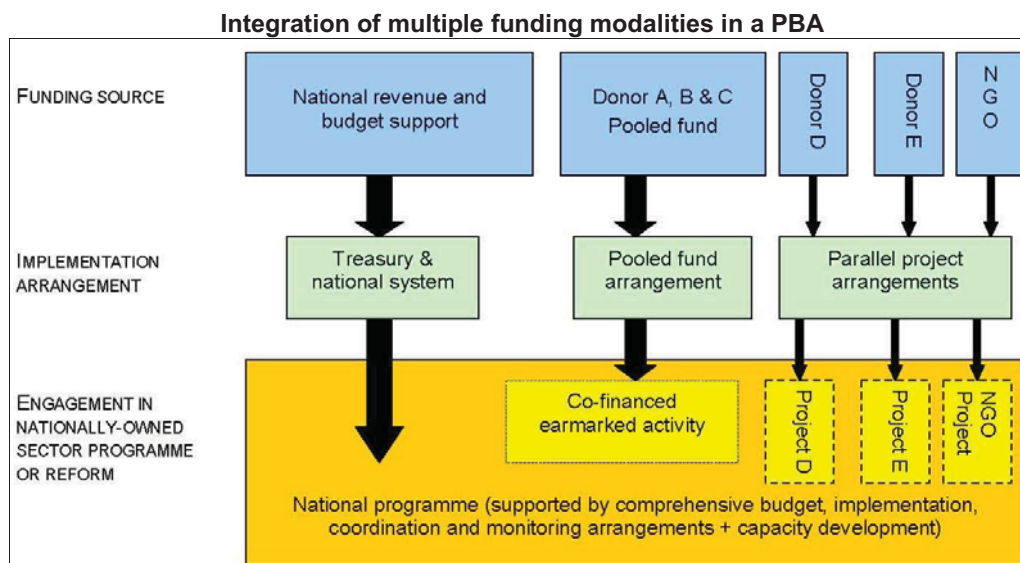
III. Principal elements of a PBA

Following directly from the definition of a PBA and the principles on which they are based, the basic components of a PBA can be identified as:

- **Comprehensive policy framework** – this provides the basis for the engagement and resources of all domestic and external PBA partners. The policy must be fully owned by Government. Costing should be consistent with the RGC macroeconomic framework.
- **Common goals** – these are clearly stated in the policy framework, with agreed targets and (joint) monitoring arrangements.
- **Comprehensive resource framework** – an annual workplan (and/or a medium-term framework linked to the Budget) that supports the strategic allocation of resources and promotes consistency, prioritisation, efficiency and sustainability in programming and expenditure (and allows for monitoring of results through transparency in availability and allocation of inputs).
- **Partnership and dialogue structures** – coordination mechanisms are established (e.g. TWGs) to discuss policy, to clarify roles and responsibilities, and to support implementation and review.
- **Agreed institutional arrangements and responsibilities** – for management, planning, dialogue, implementation, reporting, monitoring and review (these need not all be common/joint, at least in the early stages, but should be clear and agreed). Performance indicators and data collection methodology should be specified to enable monitoring of results.
- **Capacity development component** – a joint assessment should be made to promote a common approach towards strengthening capacities and systems associated with attaining the outputs specified in the policy framework. External assistance is then coordinated around a common set of priorities and a sector-wide approach.

There are a number of additional features and considerations to be noted:

- Civil society can be part of PBA, even though their funding will be managed outside of the RGC system. Civil society may provide inputs during policy formulation, and/or may support implementation and monitoring. This highlights the flexibility of the PBA in accommodating all modalities.
- Aid effectiveness approaches may be defined explicitly, e.g. through Partnership Principles or a sector-specific aid management component of the PBA. Alternatively, arrangements for effective aid management can be integrated into the policy document or in the institutional arrangements (e.g. TWG Terms of Reference).
- Core reforms (e.g. public administration, democratic decentralisation, public financial management) may be incorporated into the PBA arrangement to ensure policy consistency and to emphasise the capacity development aspect of the PBA.
- Establishing a PBA should be undertaken as a process, not as a one-off activity. Different components can be developed and strengthened over a period of time. A typical process often begins with a statement of policy and objectives, identification of capacity needs, followed by establishing partnership and coordination arrangements. A comprehensive plan and budget, supported by strengthened institutional arrangements and a monitoring framework then follows.
- The PBA itself is not a financing instrument, it is a process to ensure national ownership of a policy-driven approach to achieving a developmental objective. All modalities and partners should ensure that their support is within the policy framework and workplan/budget.



IV. PBAs in the Cambodia context

Achieving and sustaining high levels of sector performance requires that support be directed to develop the sector as a whole, not programmed and implemented as discrete initiatives. This means that all partners and their resources, both national and external, must be working together under RGC leadership to formulate, implement and monitor activities at the sector or programme level.

A PBA is a mechanism that enables the sector or reform programme to become better organised by bringing together the many actors and processes that are already in place. PBAs may appear to represent new or different ways of working, but they are simply ways of bringing together the activities that have been established in the partnership over time. Their focus on effective management, improved performance and greater efficiency is consistent with the objectives and approach of all major RGC reform programmes as well as the aid effectiveness principles that have been agreed internationally and endorsed locally.

The 2010 Aid Effectiveness Report identifies the potential benefits of a PBA. Beyond their potential to promote harmonised procedures and greater efficiency, they offer a flexible approach to address many of the aid management challenges that have been documented in almost every sector and reform programme in Cambodia in recent years:

- Leadership can be mobilised and strengthened around a coherent policy and financing framework.
- Fragmented aid and multiple funding sources and modalities can be managed through a single planning, resource allocation and monitoring process.
- Capacity development and the strengthening of national systems can be achieved through the improved use of technical cooperation focused on sector rather than project objectives.
- Partnership dynamics can be improved, leading to greater efficiency and improved results through the more effective use of coordination and dialogue mechanisms.
- Harmonisation of development partner assistance can be promoted through the establishment of RGC systems and procedures, linking key stages in the programming cycle including planning, programming and monitoring of results.

With a focus on ownership and capacity development, and by working within a common policy framework and workplan, multiple funding sources and modalities can be effectively and efficiently managed to produce the desired results. A PBA in Cambodia is therefore not only about aid delivery practices, it is much more fundamentally about how leadership is developed and how a sector can be organised to manage sector resources and deliver results.

Based on what has been learned since 2006, when the NSDP first set out the programmatic approach to sector development and reform, the following points are perhaps of most importance to the development of PBAs in Cambodia:

- Effective partnership requires strong and skilful Government leadership, working with multiple partners to negotiate targets, mobilise resources and implement programmes. The "Making Partnerships Effective" initiative should be employed to promote effective partnership dynamics.
- Regardless of implementation modality, greater effort should be made to represent all resources in a common budget framework that can support coherent sector planning, strategic resource allocation and robust joint monitoring of results.
- Implementation and management arrangements must move beyond the level of the project to be progressively harmonised around the use of national

systems. Coordinated expert/advisory support must focus on sector-wide systems and capacity (not on project level outputs).

- The core reforms in sub-national democratic development, public financial management and administrative reform imply new ways of organising and managing RGC activity and developing its capacity. These reforms need to be incorporated into the work of the sector and the external programmes that support it.
- The mainstreaming of cross-cutting issues and the engagement and role of civil society organisations needs to be clarified and made operational through the recognition of a multi-stakeholder approach.

V. A format for a PBA workshop or "clinic"

CRDB/CDC is preparing to offer RGC Ministries, agencies and their associated TWGs, support to a facilitated process that can assist in establishing or developing their PBAs. A joint needs assessment to be discussed with CRDB/CDC and ratified by the TWG will lead to the delivery of a "clinic", which will take the form of a practical training and supported-dialogue event that is based on the identified needs of the sector. This may include the following components:

NB this section requires further elaboration and application to respective sector/TWG

1. Introduction to PBAs – contextualising their use

- What is meant by a PBA? Definitions and evolution of PBAs and SWAp
- Objectives of a PBA and their intended benefits
- Sector context (status of the sector and PBA-related challenges)
- Aid effectiveness challenges in the sector and the response to date

2. Effectiveness and results

- Trends in public sector reform and the link to the MDGs
- The use of results-based approaches in development
- Contrasting views and perspectives on aid – "planning and searching"
- The importance of the policy framework and budget
- Cross-cutting issues and their management in a PBA

3. Partnerships and the PBA

- Options in funding the PBA through external sources
- Potential advantages of different aid modalities
- Use of the ODA Database in planning, programming & coordination
- Alignment and harmonisation through the PBA
- Making partnerships effective

4. Capacity development and the PBA

- The importance of the core reforms and national systems
- The role of development partners and technical cooperation
- Joint capacity assessments
- Performance, monitoring and accountability through the PBA policy framework

The format of these "clinics" will be determined based on negotiation with the TWG Chair and TWG members. They can either be in small groups (for development of ideas and approaches) or for larger groups (mainly aimed at awareness raising and consensus building). Each "clinic" will conclude with a discussion on next steps to be taken and follow-up actions.

VI. Conclusion

A PBA is about getting organised to produce the best results. There is no blueprint but this paper has provided a basic roadmap that identifies the main objectives and components. By focusing on the use of PBAs, the experience gained will inform the RGC position to be communicated at the Fourth High-level Forum on Aid Effectiveness, which will take place in Seoul, South Korea in November 2011, and in the development of a new RGC aid management policy framework to be developed early in 2012.

For some readers of this note, a PBA represents a new way of doing business. They can appear confusing, riddled with jargon and lacking in a clear motivation or objective: for these readers this paper has hopefully offered some clarity and described how the relevant application of a PBA in the sector/reform in which they are engaged can address management problems and support improved performance.

For other readers, PBAs are well understood but may be regarded as risky, contrary to their own interests or undermining the control and influence derived from parallel project support: for them, this paper has clarified how a PBA can serve multiple interests in a framework that is based on common objectives. It has set out a step-by-step process that accommodates all modalities, offers no threat to current interests and can even reduce risk in project implementation.

For the remainder, who may have received some formative training in PBAs, the approach may be supported in theory. But it can be a struggle to apply these principles and ideas, or to be able to convince others to do so: for them, this paper outlines a process in which consensus may be built on taking practical steps towards establishing and strengthening PBAs.

CRDB/CDC is prepared to provide technical advice and practical support to any RGC Ministry, agency or TWG that requires assistance in establishing or developing a programme-based approach. The Partnership and Harmonisation TWG may be used as a forum to develop this concept of a "PBA clinic" and to support joint learning and sharing of ideas that can benefit all participants in sector programmes and reforms.