



Policy Brief

Stakeholder Participation in Sector Reform: Key findings and policy messages

Based on the Issue Paper

*Stakeholder Participation in Sector Reform; Tentative guidelines based
on field experience from Sub-Saharan Africa*

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Désirée Dietvorst

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GTZ, Eschborn, Germany
Regional Project: Support to the Strategic
Partnership with Africa (SPA)
Phone +49 6196 791546 or 791544
helmut.asche@gtz.de or renate.kirsch@gtz.de

Désirée Dietvorst, freelance consultant
Frankfurt-am-Main, Germany
Phone +49 69 59797122
Fax +49 69 59797155
desiree.dietvorst@t-online.de

Stakeholder Participation in Sector Reform

Key findings and policy messages

This Policy Brief is meant to accompany and complement the Issue Paper on which it is based; *Stakeholder Participation in Sector Reform; Tentative guidelines based on field experiences in sub-Saharan Africa, D Dietvorst, GTZ, Eschborn*).

For the purpose of this policy brief, a selection was made of the issue paper's key findings, rather than attempting to summarize all. In deciding which findings to reflect here, we have worked on the assumption that the target audience of policy briefs tends to consist of high level policy makers. Those who are interested in discussions with a higher degree of implementation-nitty-gritty are referred to the issue paper itself.

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Background

Where stakeholder participation in sector reform is discussed, there is a tendency to focus on participation in programme *planning*. The issue paper aims to complement that debate by adopting an *implementation*-oriented focus and assimilating practical experience with stakeholder participation from within the sub-Saharan region.

The issue paper drew much of its information from the so-called 'regional debate' by which is meant a series of annual events on sector wide reform which GTZ has co-organised since 1997 (annex 1 and 2). These regional events have become an important platform of exchange, especially between implementers *within* the sub-Saharan region, and the gradual development of an informal network of core-participants has contributed to a growing exchange between countries even outside the formally organised events. People in this network were asked to share their personal experience related to sector reform. Their stories (from Ghana, Uganda, Kenya, Tanzania, Malawi, Mozambique, Zambia and Zimbabwe) are used to illustrate the findings discussed in the main text. The original issue paper, therefore, was conceived as a 'voice from the field' and hopes to act as a practical counterweight to the often the more abstract (and donor-dominated) international debate.

The issue paper presents key findings of the current debate on stakeholder participation, structured around five different *dimensions* of stakeholder participation: by sector; by programme phase; by stakeholder category (eg public and private sectors); at different levels (eg national and grassroots level) and by geographical differentiation (eg isolated versus non-isolated areas). It then analyses this information further under a series of cross-cutting issues and provides some tentative guidelines under each of these. This policy brief presents a summary of the analysis under each of these cross-cutting issues followed by a selection of tentative guidelines (or policy messages). A summary of the key findings along dimensions of participation is presented in annex 3.

Policy messages along critical cross-cutting issues

In every forum, workshop or discussion on the topic of stakeholder participation in sector reform, similar issues keep cropping up, across sectors and across countries. The original Issue Paper attempts to provide some (tentative) guidelines as to how to address these shared challenges. A selection of these is presented here in the text-boxes under each issue.

Ownership

- As programme implementation progresses, the flexibility of the approach increases almost by default, as the original requirements are practically impossible to meet, which gives recipient governments a greater sense of ownership.
- Ownership at a stakeholder level remains hard to realise. Even where widespread consultations were held, data have either not been incorporated or meetings were held to inform rather than consult stakeholders.
- The meaning of sector reform becomes clearer during implementation, spurring a demand among stakeholders to be involved. These, more localised, ownership claims revolve around practical issues, rather than general programme design.
- In short, the initial rhetoric of ownership, often backed by widespread consultations and a detailed plan, is usually followed by a top-bottom implementation and subsequent disappointment among stakeholders with claims for involvement eventually growing as the programme progresses.

- Allow for **flexible programme design** to accommodate countries' individual circumstances and to encourage ownership by national policy and decision makers
- **Share the responsibility for grassroots consultations** by engaging existing and relevant stakeholder (apex) organisations right from the start; make use of their ability to inform and involve their members or clients
- **Opt for a selective and staged consultation** and allow time for stakeholder organisations to consult their bases and formulate a position for further negotiations
- **Organise targeted discussions around tangible topics** and avoid long and general discussions

Decentralisation

- Although decentralisation under sector reform tends to happen in the context of a nation-wide drive towards decentralisation under a civil sector reform programme, there appear to be two broad scenarios (see also annex 4):
 - (i) Sector programmes as the modus operandi of development efforts, with local government's role rather vaguely defined as the eventual location of sector-specific sub-committees (eg Zambia, Kenya and Mozambique)
 - (ii) Decentralisation with a local government focus with the intention that local stakeholder demand will be articulated through (district) assemblies or councils and from there be integrated into the various sector programmes (eg Ghana, Malawi and Uganda)
- Within a sector wide approach a combination of horizontal and vertical approaches can be followed. This is little used in agricultural programmes, but has been followed in health sectors (eg Tanzania). It requires that activities are divided into a 'negotiable' (public core-responsibilities in need of national planning) and a 'non-negotiable' (optional; dependent on locally identified priorities) component.

- **Divide sector activities into 'negotiable' and 'non-negotiable' activities;** that is between a government's core responsibilities and optional activities based on local and stakeholder demand
- **Divide the budget into a horizontal fund for negotiable and a vertical fund for non-negotiable activities**
- **Identify how best the horizontal fund can be divided regionally;** for example based on potential or need; According to formulae specifying amount of funds per capita
- **Provide appropriate capacity training of stakeholder platforms** based on their actual (and reviewed) responsibilities and the amount of funds at their disposal
- **Assess the scope of a 'pooled' district fund:** can horizontal funds be created in others sectors and if so can these can be merged?;
- **Assess the possibility of local government managing a district fund:** what is local government's capacity and experience and is funding of fixed local government costs (eg salaries, rents) assured?

Capacity building

- Capacity constraints are invariably mentioned as major (if not main) stumbling blocks to decentralisation.
- Although sector-wide approaches commonly include considerable capacity building components, these tend to have a national and public sector focus, while the need to strengthen the capacity of private sector actors (such as farmers' unions, NGOs) as part of a successful sector wide approach is often overlooked.
- More attention should be given to the capacity training of field staff as these are key-informants at field level and are crucial in mobilising communities.

- **Clearly delineate the roles of public and private actors** in sector development based on the sector policy and as a pre-requisite to any capacity training intervention
- **Use capacity building of public sector decision makers to foster acceptance of institutional reform;** capacity training should start prior to institutional reform on the assumption that benefits from reduced resistance outweigh losses incurred after retrenchment
- **Develop capacity building programmes for field staff** to increase their understanding of sector reform and to enable them take on their new role
- **Opt for re-current training** in favour of a one-off exercise; allow for a learning curve using repetition and refreshing, interspersed by periods of consolidation
- **Ensure that acquired skills can be put into practice** by rewarding realistic plans with the resources to implement them

Institutional reform

- Depending on the stage of programme implementation, institutional reform is described as: first a pre-requisite, then an initial programme phase, subsequently a major stumbling block and, eventually, a (near) killing factor.
- Incomplete institutional reform causes a 'ripple-effect' in the rest of the programme, because (i) it halts intended privatisation, (ii) it maintains a dependency-syndrome (due to a continued trickle of free public services), (iii) it weakens the position of field staff (unsure of their position and often misinformed about the programme) and (iv) it deprives stakeholders of assistance (who depend on ill-informed field staff)
- Because the government often perceives itself to lose out in the process of institutional reform, implementers are increasingly calling for some external facilitation of this process.
- When bridging the gap between existing government and intended private service provision it is important to honour public-private boundaries, rather than having civil servants act in a private capacity to overcome the lack of a private sector network.
- To reduce the social cost of public sector reform, this process can be linked to one of private sector strengthening. Public sector staff that have become redundant, can be helped to capitalize on their experience by government tendered contracts. These contracts can provide them (and other aspiring entrepreneurs) with a basic ('threshold') income from where they can expand their private sector activities.

- **External facilitation of institutional reform is needed** but as a complement to internal facilitation and taking account of the ruling organisational culture of the institution(s) concerned
- Transition phases (between government subsidised and private service provision) should **adhere to the division of roles between public and private sectors** based on the sector policy
- **Public sector reform should be linked to private sector strengthening** through productive options for excess staff (eg a contracting out of government's non-core functions or loan programmes based on merit)
- **Institutional reform and strengthening of relevant non public sector organisations** should be supported (eg of farmers' unions, NGOs and CBOs) in order to (i) engage in constructive dialogue on programme design (ii) help create widespread awareness (iii) take on government tasks

Legislation

- When sector wide approaches foresee a change in roles of public and private sectors, this often necessitates an amendment of existing legislation. The lack of appropriate legislation is often mentioned as a stumbling block to private sector strengthening.
- However, even where adequate legislation is not in place, much of the required reform can go ahead either under existing legislation (covered by 'eventuality clauses') or by using alternative accepted instruments to cover a temporary gap (eg Memoranda of Agreement, Statement of Intent, Agreed Code of Practice).
- Enabling legislation in support of private service providers is often perceived as a threat by civil servants.

- **Legislation should be amended** to reflect changed roles between public and private sectors
- **Use alternative legally recognised instruments** during a transition phase
- **Emphasise the importance of appropriate legislation as an instrument of regulation** in order to reduce public sector opposition to a formal handing over of government tasks to the private sector

Financial management and accountability

- In the course of programme implementation, the original 'basket concept' (into which all sector support is deposited) tends to be diluted and more pragmatic solutions are sought to overcome a lack of donor confidence and to avoid jeopardising implementation.
- It has proven difficult to move resources *below* the national level and *beyond* the public sector. This is serious, as non-public sector stakeholders need to be supported to take on their (new or additional) responsibilities in a sector wide reform programme.
- The decentralisation of financial management has met with so many hurdles that it is often pronounced impossible. Donors' demand that funds should be traceable all the way to the field has created financial management systems that are near impossible to manage.

- If donors are not able, or willing, to compromise on the condition to trace funds, then some coordination of programme funding is needed, eg donors concentrating their funds on a specific component or region, resisting the temptation to have a finger in every pie.
- Programmes in different sectors, concurrently implemented should avoid setting up their own financial management unit, thus multiplying the need for qualified personnel at decentralised levels beyond what is feasible.

- **Utilise intermediate arrangements between ‘project’ and ‘basket’ funding** such as (i) funding at implementation level (ii) buying into the sector’s work-programme and (iii) dissociating financial from technical assistance
- **Assess options for non-public sector managed programme funding** to cater for the need to support also relevant stakeholders outside the public sector
- **Coordinate donor programme funding** to create manageable accounting systems eg by concentrating support on specific programme components or geographical areas
- **Opt for a pooling of financial management need and capacity** across sectors by establishing fewer but stronger financial management units at decentralised levels

Gender and equity

- National gender policies were developed in a number of countries, and are (or need to be) integrated in the various sector strategies, which presents problems in the agriculture sector.
- The use of gender-segregated data in monitoring is often advised and sometimes implemented. However, to what extent these data are analysed or used is not clear.
- Where agricultural programmes are in advanced implementation, access to services seems to have decreased in remote areas, for non-commercial services and among resource poor clients. This may be overcome by an *area-sensitive core-function analysis*, which not only assess government’s core functions on an activity-by-activity basis, but adds an area perspective (or geographical dimension).
- In low-potential areas, the use of government-tendered contracts can help private sector development while cushioning the effect of public service withdrawal on the resource poor.
- The formulation of Poverty Reduction Strategy Papers may make sector wide approaches more poverty-aware and ‘pro-poor’ provided that a focus on the poor as the target group does not overlook the need to strengthen the small-scale and emerging private sector.

- **Link existing national gender policy to sector programmes** and translate a gender commitment into practical rather than abstract objectives
- **Use gender sensitive programme monitoring instruments** in support of data collection and analysis systems at implementation levels
- **Add a geographical dimension to a core-function analysis** to allow for different potential and need in isolated versus non-isolated areas, esp in agriculture.
- **Develop joint initiatives with private / civil society**, especially in isolated areas
- **Establish link to national Poverty Reduction Strategies** but avoid too narrow a target group in acknowledgment of the importance public and private service providers in self-help approaches of the poor

Annex 1 Regional events on sector reform

1997	Lusaka, Zambia	International Workshop on Sector Investment Programmes in Agriculture, 12 to 14 February
	Lilongwe, Malawi	2 nd International Workshop on Agricultural Sector Investment Programmes, 12 to 14 November
1998	Harare, Zimbabwe	Training Workshop on Sector (Investment) Programmes in Agriculture, 28 September to 1 October
1999	Lusaka, Zambia	Regional Forum on <i>Participation in Sector Programmes</i> , 20 to 23 September
2000	Harare, Zimbabwe	Training Workshop on <i>Sector Wide Approaches: Still on course or heading for collapse?</i> 13 to 17 November
2001	Accra, Ghana	Regional Forum on <i>Sector Wide Approaches: Do they really help the poor?</i> 13 to 16 November

Proceedings

Engel, Albert and Nwanze Okidegbe (1997) *International Workshop on Sector Investment Programmes in Agriculture, 12 to 14 February, 1997, Lusaka, Zambia*. Summary Report. SNRD-GTZ, Harare

Sellen, Daniel (1997) *2nd International Workshop on Agricultural Sector Investment Programs, 12 to 14 November, 1997, Lilongwe, Malawi*. Summary Report. Economic Development Institute, World Bank, Washington

Dietvorst, Désirée, Albert Engel and Nwanze Okidegbe (1998) *Sector (Investment) Programmes in Agriculture*. Report of a Training Workshop, 28 September to 1 October, 1998, Harare. SNRD-GTZ, Harare

Bialluch Godje, Désirée Dietvorst and Albert Engel (1999) *Participation in Sector Programmes. Proceedings of a Regional Forum, 20 to 23 September 1999, Lusaka, Zambia*. SNRD-GTZ, Harare

Benson-von der Ohe, Elisabeth; Werner von der Ohe and Désirée Dietvorst (Nov 2000) *Sector Wide Approaches: Still on course or heading for collapse? Proceedings of a Training Workshop, 13 to 17 November, 2000, Harare, Zimbabwe*. SNRD-GTZ, Harare

Benson-von der Ohe, Elisabeth; Werner von der Ohe (Dec 2001) *Sector Wide Approaches: Do they really help the poor? Proceedings of a Regional Forum, 13 to 16 November, 2001, Harare, Zimbabwe*. SNRD-GTZ, Harare

Annex 2 Regional dialogue on sector reform

A closer look at the scope and contents of these events themselves also reveals interesting insights into the evolution of an ambitious, high profile and internationally targeted development concept such as sector wide reform. A review of proceedings highlights some broad patterns, discussed below¹.

From donors at the wheel to implementers taking over

Initial meetings were donor dominated. Much of the discussion revolved around definitions of sector programmes and pre-conditions. Country representatives were wary of too rigid pre-conditions and asked for more flexibility in programme design while donors asked for more ownership from recipients. Gradually, as more programmes entered implementation phases, issues with which implementers are struggling began to determine the agenda and national resource people took centre stage.

From an agricultural focus to a focus on cross-sector operational challenges

The first two workshops dealt with agriculture only and most of the discussions dealt with programme-design. However, with progressing implementation more practical questions began to be asked, eg related to institutional reform and the decentralisation of services. Because these issues are not exclusive to agriculture, the discussion became relevant to representatives from other sectors also.

Local, home-grown versions of sector reform develop

Some countries, such as Zambia, made institutional reform part of their agricultural programmes. Others, such as Zimbabwe, created a different programme for institutional reform to be implemented as a pre-sector programme phase. Zambia and Kenya adopted strong privatisation components, while Mozambique focussed on reorganising functions within departments and levels of its line ministry.

Ownership by the recipient grows

For better or for worse, these home-grown adaptations did lead to a greater sense of ownership by recipient countries. Although many of them may have started out with a World Bank blue-print, differing local circumstances forced them to dilute the original concept in an effort to adapt it to the realities in the field. Innovation and experimentation by implementers: has led to a wide range of 'intermediate options', 'temporary solutions', 'transition phases' to critical questions such as funding arrangements and privatisation.

Multi-lateral donors lose confidence and interest

The implementation phase has (invariably) turned out to be messier than the planning phase intended it to be. This has meant that, ironically, multi-lateral donors such as the World Bank and the European Union lost confidence in the sector approach just as their main requirement, more ownership by recipients, is being fulfilled. Programme-*design* is clearly a safer, more hopeful phase than is *implementation*. In recent years, several bilateral donors reactivated the debate, which makes that the issue, after losing some of its glamour, has picked up on international interest.

Regional dialogue versus international discussions

These international donor-led discussions are rather policy oriented tackling issues as donor coordination and funding arrangements. When stakeholder participation is discussed this is often limited to participation programme design (and evaluation). There is a rather limited understanding of practical implementation constraints and still less ideas on solutions to these. In contrast, the regional dialogue has generated awareness, across countries and sectors on these implementation problems. Though some potentially promising remedies have been presented, much still needs to be done.

The introduction of a poverty focus

In the meantime, the topic of poverty reduction (linked to debt relief initiatives) has moved to the top of the aid-agenda and is pushed most forcefully by the World Bank and the European Union. Taking note of the vocabulary and many of the concepts used in the current planning stage is, in many ways, like re-visiting the planning wave of sector programmes. Although some reference is made to the intended effect of Poverty Reduction Strategies on sector programmes (as a sort of overarching 'supra-sector programme'), little reference is made to the potential use of sector programme experience in the poverty context.

¹ Based on Engel and Okidegbe (1997); Sellen (1997); Dietvorst, Engel and Okidegbe (1998); Bialluch, Dietvorst and Engel (1999) and Benson-von der Ohe, von der Ohe and Dietvorst (2000)

Annex 3 Key findings along dimensions of participation

Productive versus social sectors

- Privatisation is more pronounced in the productive sectors (eg agriculture and infrastructure) with the role of government is limited to areas of policy, supervision, legislation, monitoring and control. Especially by weak governments, the private sector is often perceived as a threat, rather than a partner. Thus, **public-private sector boundaries become bones of contention**, with governments dragging their feet in long drawn out institutional reform processes.
- Because of the less radical reforms that are required under social sector programmes, these are sometimes perceived to be easier to implement (see annex 5).
- However, in comparing sector programmes we should remember that **programmes well into implementation** (eg Zambia agriculture) **are bound to look bleak** compared to those in the early and hopeful stages of planning (eg education in Mozambique and Uganda).
- Where agricultural programmes struggle with a transfer of tasks from the public to the private sector, programmes in the health sector face difficulties with respect to a handing over of responsibilities to communities.
- Several health programmes (eg Tanzania) **distinguish between a vertical** (eg Malaria, TB and HIV/Aids) **and a horizontal** (comprehensive district health plans) **component**. This seems to increase efficiency at operational levels, but has also led to greater resistance to reform among high level staff. Agriculture should learn from these experiences.

Programme phases

- (Inter)national policy and decision makers should beware for an **obsession with the planning phase** and put realistic limits on the extent of consultation that is required. The success of a sector programme depends on the creation of enabling environments rather than on the existence of accurate plans. The stumbling blocks to participation are often of a practical nature; eg prohibitive legislation, stifling taxes on trade and erratic support to stakeholder platforms.
- Moreover, it is difficult to keep stakeholders on-board of a long-drawn out planning process; Only a part of all the information collected during stakeholder consultations is used and **much of the final plan ends up not being implemented** because of resource (and other) constraints.
- Often governments (under donor pressure) have their own timetable that sets the pace of the programme, thereby **giving stakeholder organisations insufficient time** to consult their membership and establish a common position from which to negotiate.
- Most (if not all) sector programme experience so far demonstrates **a sluggish approach to institutional reform**, which seriously impedes programme progress. Despite the importance of change coming from within, the call for additional facilitation by an external actor is getting louder. This would allow a more timely and transparent process and, to some extent, a “shouldering-off” of the blame for the social cost of reform.

From national to grassroots levels

- It has proven difficult to move resources **below the national level and beyond the public sector**. Though the budget of a sector programme relates to public funds, its scope aims to be sector wide, acknowledging that the government is only one of the actors responsible for the development of the sector. However, the programme budget is often seen as the ministries’ funds, meant for activities by the public sector only.
- Meanwhile, decentralisation has led to parallel structures and a duplication of efforts. Some grassroots level stakeholders (both in and outside the public sector) believe that **cross-sector cooperation has suffered** since the introduction of sector programmes due to this ‘compartmentalisation’ of concerns into sector specific structures.

- 'Lack of capacity' is most often mentioned as constraining successful decentralisation, but it is increasingly acknowledged that **high (and unrealistic) expectations have caused capacity constraints**.
- Training is a critical component of any decentralisation strategy, but it should be complemented by other measures in order to yield a return. Important among these are attractive labour packages for staff at lower levels, avoidance of frequent staff transfers and a **reliable commitment to stakeholder platforms** to ensure their continuity

Stakeholder categories

- Under a sector wide approach, non-public sector stakeholders are expected to enter into a constructive dialogue (eg with the implementing line ministry) during planning stages or take on complementary responsibilities during implementation (eg functions that are released by government). Despite this re-division of roles, sector programmes tend to **lack a capacity and institutional building component for private organisations**.
- There is a growing consensus that in pursuit of stakeholder-driven development, sector programmes went from one extreme to another. However, quite apart from the considerable capacity and coordination constraints, it is risky to have local stakeholders decide whether or not they would like, for example, vaccination campaigns to be carried out. To avoid unrealistic expectations, we need to **be explicit on what activities local stakeholders can decide on and how much funds they have available** for these.
- Decentralisation under sector programmes has often **by-passed local government**. Although not everywhere, local government is generally seen as overstuffed and under-funded. Nevertheless, it does represent the stakeholder with a mandate for cross-sector coordination. Experiences in countries where decentralisation processes have more of a local government focus (eg Ghana and Malawi) should be used to address the 'lopsided' situation of strong line ministries'-departments fully overruling their local government.
- A pre-requisite to effective private sector involvement is a clear vision regarding the role of the private providers, supported by an appropriate legal and regulatory framework. High priority services that are commercially non-viable will continue to need government financing, but need not be provided through the public sector. Instead, government can contract private providers, either for certain types of services or for services in certain regions. **Donors supporting a sector programme can label parts of their funds** as to be spent against such public-private contracts.
- Whereas education and health programmes include components as 'education of the girl-child' and 'mother and child health care', **the translation of gender issues continues to present difficulties in agriculture**.

Geographical areas

- Investment programmes in agriculture sector tend to be growth oriented and make expenditure choices which include a withdrawal of government resources from services that are best provided by the private sector or a re-focusing of resources on areas of high potential. Both approaches are **bound to reinforce regional disparities**.
- Health programmes tend to be more equality-oriented with their objective of universal access to basic health care. However, its **prohibitive cost** coupled to **existing regional disparities** in staff and facilities make this practically impossible to achieve.
- Sector wide budgets may make regional disparities more visible as a first step towards closing these gaps.

Annex 4 Decentralisation with a sector and local government focus

Decentralisation	Sector based	Local government based
Membership to platforms	usually based on (sector-specific) capacity or interest	more easily based on political or traditional leadership structures
Adherence to national sector policy	more easily achieved	Difficult
Formulation of plans and budgets	More accurate on technical detail; easier to take resource limitations into account	Possibly less feasible
Resource allocation to plans and budgets	Dependent upon line ministry	Dependent upon local government (assembly or council)
Risk of fund fungibility	Small, as sector departments are in control of own funds	Larger, as fund allocation to sectors may be informed by short-term priorities or preferences
Parallel structures	Unavoidable	Can be kept to a minimum
Barriers between sectors	High, in case of considerable fund discrepancies between departments with and without sector programme support	May be kept to a minimum when funds are allocated towards local priorities rather than sectors
Capacity constraints	Likely to be severe, as available local expertise is overdrawn, esp. re financial management skills	Also severe, esp. re local government's managerial and coordinating skills
Cross-sector cooperation	Difficult to achieve; needs continuous prodding and support	More easily institutionalised; allows for cross-sector resource sharing and complementarity
Role of private sector and civil society	Often clearer	Too focussed on public service issues; neglecting other actors
Cross-cutting issues	Difficult to address since being (partly) outside mandate	Can be addressed, depending on coordinating skills and commitment of local government
Addressing of district development priorities	Difficult, as activities depend on vertical resource allocation tied to sector boundaries	More easily achieved with a horizontal fund not tied to sector boundaries
Compilation of district development plan	Difficult, esp. when (finalised) sector plans have different formats and deadlines	More easy, when sector-specific activities are conceived as part of a district plan from the start

Annex 5 Key features of productive and social sector programmes

	Agriculture	Health and Education
Key sector programme objective	Household food security and efficient and effective national growth	Sustainable service provision
Recent challenges	Liberalisation of the economy	Surge in (aids-related) health problems
Role of the state	Needs considerable redefinition; no consensus; lack of clarity	Consensus is present or possible
Role of the private sector	Considerable and diverse; from community planning to private service delivery	Mostly community planning
Relation between public and private sectors	Often tense: strong private sector perceived as a threat and privatisation as a loss of control (and resources)	Mostly good: public and private sector stakeholders tend to share same objectives
Link to other sectors	Important; especially regarding infrastructure, local government, trade and industry	Cross-sector links less important
Privatisation component	Important	Less important
Need for institutional reform	Almost inevitable and likely to be extensive	Less likely and less invasive
Additional challenges	Highly sensitive to external factors, both environmental (droughts, floods) and economical (market fluctuations, export limitations)	Long term policy environment is more predictable