

Defining and Evaluating SWAps

A paper for the Inter-Agency Group on SWAps and Development Cooperation

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This paper was commissioned by WHO for discussion in the Inter-Agency Group on SWAp and Development Cooperation (IAG). This is the second version of the paper, following discussion of the first draft at the IAG meeting in Geneva on 5 November 2002.

The views in the paper are those of the author and are not an agreed position of the members of the IAG.

1. Introduction

The purpose of the paper is to seek agreement on the definition of a SWAp, and identify how SWApS can be evaluated. The background to the paper was the recognition that there is not a single agreed definition of what a SWAp is, and that while this flexibility was useful in the early years of developing the concept, the lack of clarity is becoming a constraint to discussion and decisions. There are cases where there is debate over whether or not a country has a SWAp, as well as controversy over whether there can be 'sub-sector SWApS'.

There was some debate in the IAG on the value of having a clear definition of what a SWAp is, since a SWAp is a process rather than a fixed blueprint and should adapt to and fit with country circumstances. It was also suggested that if the stakeholders in a country think they have a SWAp, there is no advantage to telling them they do not. There was also some questioning of the need to evaluate a SWAp, as it seems obvious to some IAG members that SWApS have benefits and combine tested elements of good development practice. However other members feel it will be important to be able to demonstrate the impact of SWApS to their agencies.

The need for a definition of SWAp is greater at the international level than at the country level. Countries already adapt the approach and the terminology to suit their situation (e.g. it is referred to as "Sector Wide Management" in Bangladesh and Cambodia; in the case of Cambodia this currently excludes a Government managed pool funding or sector budget support arrangement, while there is this type of funding in Bangladesh). But in the international debate, it would be helpful to have some clarity about whether a particular country has a SWAp. For example, in the last IAG meeting there were inconsistent views on whether Mozambique has a health SWAp or not. It was agreed to classify it as a mature SWAp although some consider that the SWAp is only just starting.

There are various types of sector level working and coordination mechanisms that are available and in use in different countries, for example: sector policy dialogue; sectoral expenditure plans within a medium term expenditure framework (MTEF); sector donor coordination; and sector budget support. These can be used in isolation or in combination. The original concept of a SWAp combines some of these and other characteristics. If a SWAp is to mean more than 'any sector level mechanism' then it is necessary to identify what is classified as SWAp and what is not.

Another reason a clear classification would be useful is to contribute to the debate within some of the development agencies on the merits of SWApS and 'whether they work'. It is not possible to address this question without deciding whether a 'real' SWAp is in place in a country or not. Once it is agreed whether there is a SWAp, then the next step is to try to evaluate its impact.

2. Definition of the SWAp

Different documents and agencies have defined SWApS – a summary of definitions is in Annex 1. In the absence of an agreed definition, one of the most commonly quoted definitions is:

“all significant funding for the sector supports a single sector policy and expenditure programme, under government leadership, adopting common approaches across the sector and progressing towards relying on Government procedures for all funds.”¹

Elements of a SWAp

There seems to be general agreement that this definition is reasonable, and hence that these are the core elements of a SWAp. Thus the definition of a SWAp could be where there are the following five elements:

1. All significant funding agencies support a shared, sector wide policy and strategy
2. A medium term expenditure framework or budget which supports this policy
3. Government leadership in a sustained partnership
4. Shared processes and approaches for implementing and managing the sector strategy and work programme
5. Commitment to move to greater reliance on Government financial management and accountability systems.

Is pooled funding an essential element?

However, there does not seem to be full agreement on the latter point – whether a SWAp should *by definition* include some form of Government managed, flexible funding arrangement (whether a pooled donor fund that is kept separate from other Government funds or sector budget support that is merged with other Government budgets). If this is not considered feasible in some countries or is too prescriptive, the core definition can include, as suggested above, *a commitment to move towards* this sort of funding arrangement when systems are considered adequate.

When does the SWAp start?

SWApS are a process and it is clear that countries will not have all five of the elements in place from the start. Typically there is a decision between Government and development partners to move into a SWAp. Then there tends to be a development stage often lasting two years or more, where there are preparatory activities such as development of the sector strategy and programme; design of shared monitoring and reporting processes or strengthening financial systems. Then the shared sector programme starts to be implemented. In practice there is variation in use of the term SWAp – in some cases this preparatory stage is seen as part of the SWAp, in others it is seen as ‘preparation for’ or ‘moving towards’ the SWAp.

If there is to be a common definition then there needs to be a clear point when the country has reached a stage that is classified as a SWAp. This implies a minimum threshold. The start of the SWAp could either be the decision to move into a SWAp (this is the most inclusive approach) or it could be the stage when one or more of the elements are in place – for example, when the sector wide policy and corresponding expenditure programme are

¹ Mick Foster, 2000, “Experience with implementing Sector Wide Approaches”, ODI

approved and start to be implemented (i.e. elements 1 and 2 in place). This sets a clearer boundary and is perhaps more commonly accepted as the start of a SWAp².

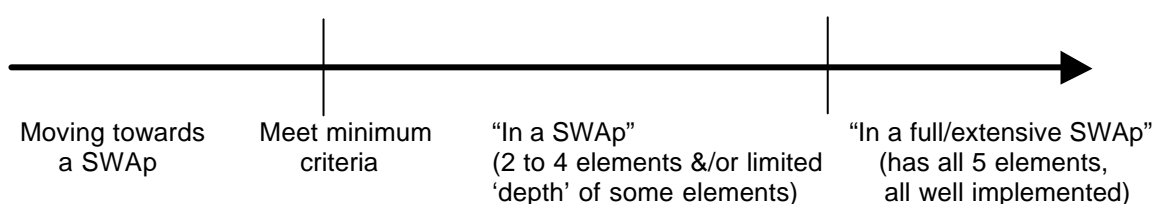
Stages of SWAp development

In addition it may be helpful to identify different stages of SWAp development. There are two aspects to this, which can be characterised as breadth and depth:

- Breadth refers to whether the country has all or only some of the five elements.
- Depth refers to how effectively the elements are implemented, (e.g. how genuine is Government leadership and ownership? How realistic is the sector plan? How many of the development agencies share the common reporting systems and do not have their own systems too? Is any external funding in a pool funding mechanism? Is the pooled funding only for drugs or sector wide?)

If the SWAp has limited breadth, i.e. only some of the five elements, then should it count as a SWAp at all (for purposes of international debate and lesson learning)? It could be referred to as 'having some SWAp elements' but not count as a SWAp. The discussion in IAG suggested that members feel this should still be classified as a SWAp.

In many cases depth is limited (i.e. some of the elements are implemented to a very limited extent); this could still be considered as being in a SWAp. The distinction that could be made is where a country has all five elements and these are well implemented, then it would be classified as a **full** (or '**extensive**' or '**comprehensive**') SWAp. The diagram below illustrates this classification and terminology.



When this idea was discussed by the IAG, most members agreed that it was useful to distinguish a full SWAp from one that only had some elements, or where elements were only implemented to a limited extent, although the suggestion of calling this a 'partial SWAp' was not accepted, as it sounds too negative.

A second issue was whether an assessment of 'depth' should include judgements on content (e.g. whether the sector plan addresses the private health sector well, whether the budget framework will contribute to poverty reduction). Several IAG members thought it should be content-neutral. There seemed to be consensus on this. This does not exclude considering the 'depth' of the SWAp in terms of the **quality** of the **processes** (e.g. the extent of support channelled through Government managed systems).

Is continuing movement towards a full/extensive SWAp essential?

The diagram above raises the question of whether the SWAp 'process' is expected to continue or can stop at any stage. It is suggested that the aim should always be to keep moving towards more use of Government systems and/or pooled/sector funding under Government control and management – as without this, the expected benefits of the SWAp will not be achieved. However, some countries may choose to remain with several or limited SWAp elements but not progress to the full or extensive SWAp. Does this matter? There does not seem to be consensus on this. It was also noted that a country could move backwards as well as forwards along the spectrum.

² Note this does not require Government leadership, so the East Timor case could qualify as a SWAp.

3. Evaluation of SWApS

Two levels of evaluation can be considered here:

- Evaluation of the individual elements within SWApS, to identify good practice and lessons for better implementation.
- Evaluation of the impact of the SWAp as a whole on country processes.

Evaluation of SWAp elements

It was suggested that there would be useful lessons from experience of the different SWAp elements at country levels. This might include, for example:

- Different pool funding and sector budget support arrangements and mechanisms;
- Procurement arrangements;
- Different models for common reporting and annual review processes;
- Participation of civil society in SWAp planning and monitoring;
- Memoranda of understanding and dispute resolution experiences.

Some such work has taken place (e.g. on TA pooling, funded by the Netherlands)³ and other case studies (e.g. on capacity building) could usefully be extended to other countries and synthesised.

In addition, the IAG has considered arranging a symposium of mature SWApS; such a meeting could be used to draw out lessons and views from the countries' perspective on some of these aspects of SWAp working. There may also be a role for commissioned independent reviews on some of the more tricky aspects such as procurement.

Evaluating the SWAp mechanism as a whole

The SWAp concept is about changing the way that donors work with Governments and how aid is delivered. In this sense, it is more than the sum of the five elements and an evaluation that only looks at the individual elements will miss the bigger question of whether the combination of elements is achieving its intended benefits.

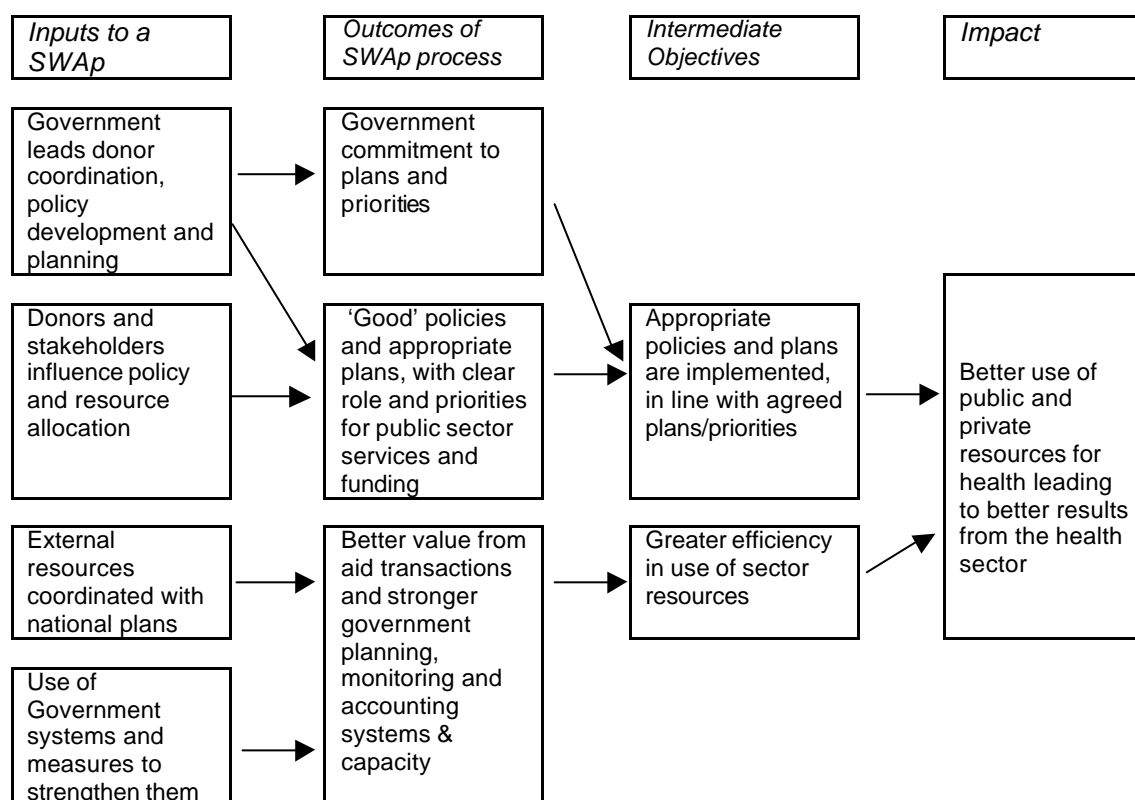
However, the evaluation of the SWAp is complicated by the fact that the SWAp is a mode of coordinating and supporting sector activities and not a programme or set of activities in its own right. The SWAp may (and should) improve the design of policies and the allocation of resources within the sector, but it will be hard to disentangle the effect of the SWAp process on policy. Similarly, the SWAp may and should help to attract more resources to the sector, but it will not be possible to identify how much of any increase in resources is due to the SWAp rather than to the quality of the programme within the sector plan. Similarly looking at a SWAp's impact on implementation is complicated because it is implemented at the same time as the agreed sector policy, and what happens in implementation is driven more by the content of the sector policy and strategy, and the availability of and capacity to use funds, than by the existence of the SWAp itself.

Despite these difficulties, it is suggested that it should be possible to identify the impact that the SWAp mechanism is expected to have, and see whether there is any evidence

³ Baser and Morgan, 2002, Harmonizing the Provision of TA: http://www.ecdpm.org/pubs/dp36_gb.htm

that these effects are being achieved. Figure 1 set out a framework that for the causal linkages, outcomes and expected effects of implementing a SWAp. This can be used as the basis for defining the types of indicators that would be relevant for each type of outcome/effect; Annex 2 gives examples that might apply in a specific country.

Figure 1: Framework of SWAp outcomes and impact ⁴



An evaluation could also look at how well the SWAp process itself was implemented, using process indicators such as the quality of the consultation process; the extent that the MTEF reflects sector priorities and is reflected in the annual budget.

Tailoring the evaluation to the county issues

The reasons for a SWAp and relative importance of different outcomes are likely to vary, in their details, between countries and funding agencies. Therefore it is suggested that evaluation of a particular SWAp should be based on the expectations and outcomes that the partners have in mind in joining that particular SWAp. This requires that the partners are explicit, at least internally, about what they hope SWAp working will achieve in each particular case, and then monitor for this. For example, if a major concern is to achieve a more poverty focussed health strategy and resource allocation; then evaluating the impact of the SWAp would focus on whether this is achieved. The indicators and evaluation process would need to be devised depending on conditions and concerns at country level.

This approach of defining partner interests in implementing the SWAp recognises that the sector strategy and expenditure plan that is eventually agreed will be a compromise between different interests. The evaluation would ideally be a joint one between all

⁴ Note this framework could also apply to budget support.

partners if they are all willing to share their objectives and concerns. If not then it may be that some partners would want to evaluate impact on their particular issues.

In many cases the indicators for monitoring the impact of the SWAp mechanism will form part of the set of common indicators agreed for monitoring the sector programme, but it may also be useful to distinguish some SWAp indicators from the overall programme indicators.

The concerns and objectives of the partners need to be specified at the start, so that a mechanism for monitoring them can be defined and arrangements made to collect the information required. For example, if one of the particular concerns in a country is to reduce the inefficiency due to having multiple project offices with their own project staff, transport, offices, planning visits to districts and reviews, then it would be useful to collect the current costs of these before the SWAp and compare this with the post SWAp period.

Identifying a comparator/baseline

This highlights a second difficulty for evaluating a SWAp: that there is not a clear 'control group' or base-case for comparison, therefore it is hard to know what would have happened in the absence of the SWAp. In the example above, this can be addressed by a 'before and after' comparison. This is not always appropriate, for example when there are external factors e.g. a major flood disaster that disrupts services, or sharp economic decline that undermines the value of salaries and capacity to purchase key supplies from abroad. Clearly an assessment of a SWAp should take into account these contextual factors (which will also need to be recognised in the broader review of the sector).

The options for creating a 'control' or base case include:

- before and after comparison – this will only be valid in some cases, as noted above. It would not take into account the impact of other changes during the SWAp whether external to the sector (e.g. economic problems) or internal to the sector (e.g. decentralisation; epidemics).
- Comparisons with other countries – this could be useful for certain specific comparisons (e.g. prices paid for drugs and vaccines; impact of global initiatives on country plans) but it appears that there are too many variables to allow for a case and control approach to SWAp and non-SWAp countries. Also SWAp only develop where there are certain pre-conditions in place in terms of the country situation, aid dependency, multiple donors and Government willingness to participate and share policymaking, so that the countries with SWAp will differ in key ways from those without SWAp, and thus will not be suitable as controls.
- A third option would be to construct or model what might be expected to have happened in the sector in the absence of a SWAp. However the complexity of modelling a whole sector is too great for this to provide reliable enough data.
- The fourth approach is to apply qualitative judgement. This is what happens in practice when looking at progress on the sector programme within a SWAp, as reviewers consider whether there are mitigating circumstances that explain less progress than expected and consider whether changes are needed to the plans to address the causes.

The suggested solution is to use different approaches to the baseline for evaluating different outcomes and objectives. For example if there is a major concern over delays in procurement, before and after comparisons could be relevant (and will require pre-SWAp baseline data for procurement by projects). If the concern is about drug prices then international comparisons can be used. If there is concern that certain disease-focussed

programmes will be neglected during the SWAp, it may be most useful to apply qualitative judgement to see what has happened and why.

Timing and process for SWAp evaluation

Another issue is the evaluation process – timing and how it could be organised. It is suggested that for reviewing the impact at country level:

- The timing will vary for different aspects of evaluating the SWAp – for example the quality of the consultation process and the quality of policies and plans produced could be assessed fairly early in the process. The impact on implementation efficiency should be at least 3 years into implementation of the SWAp, in order for there to be time for its impact to emerge.
- It may be feasible to organise country reviews alongside or as part of one of the annual sector reviews, in order to avoid excessive demands on partners' time.
- However the design and issues to be studied should be identified in advance at an early stage of SWAp development, so that the partners record their aims and expectations for the SWAp.

In addition to country level analysis of what contribution the SWAp has made to sector development, it would be possible to look across countries in terms of the outcomes and objectives identified. One option would be to do this in the symposium of mature SWAp that was discussed by the IAG. Such a cross country analysis could consider:

- whether the SWAp outcomes and objectives (set out in Fig 1) are relevant in all cases
- Whether the SWAp has had the expected outcomes and impacts;
- What are the barriers to increasing the intended impacts and what lessons can be drawn from implementation on how to make them more effective?
- Are there indicators that could substantiate the views of the countries on this issue?

Annex 1: Summary of SWAp criteria used by different agencies

The following table provides a summary of the criteria used to describe a SWAp by the SPA (Strategic Partnership with Africa), Overseas Development Institute (ODI), Swedish International Development Cooperation Agency (SIDA), Ministry of Dutch Development Cooperation, European Commission (EC), DAC (OECD Development Assistance Committee), and the Department for International Development (DFID). Source: DFID paper by Richard Teuten, 2002.

EXAMPLES OF SWAPS CRITERIA

Criteria	SPA ¹	ODI ²	SIDA ³	DUTCH ⁴	EC ⁵	DAC ⁶	DFID ⁷
1. Comprehensive Sector Policy and Strategy	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. Annual Sector Expenditure Programme and Medium Term Expenditure Framework	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Government-led Donor Coordination	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Sound Macro Framework	+	No	No	Yes	No	No	No
5. Consistency of Sector Expenditure Programme and Macro-Economic Framework	+	No	No	Yes	No	No	No
6. Major Donors Provide Support Within the Sector Framework	+	Yes	Yes	Ideally	Yes	Yes	Yes
7. Donors Move Towards Greater Reliance on Govt Financial and Accountability Systems	No	Yes	Yes	Yes	Yes	No	Yes
8. Common Approach to Implementation and Management	No	Yes	Yes	Yes	Yes	Yes	No
9. Participation of Key stakeholders in Sector Policy	No	No	No	Yes	Yes	No	No

Note: DFID is now using the following definition for internal purposes (to classify support): All of the criteria 1,2,3 and 6 should be met, and at least one of criteria 7 and 8.

The definition given in the SWAp training manual for agency staff that IAG supported is: "The SWAp defines a method of working between government and development partners, a mechanism for coordinating support to public expenditure programmes, and for improving the efficiency and effectiveness with which resources are used in the sector. The defining characteristics are that:

- All significant funding for the sector supports a single policy and expenditure programme
- Government provides leadership for the programme
- Common implementation and management approaches are applied across the sector by all partners
- Over time the programme progresses towards relying on government procedures to disburse and account for all funds
- The SWAp is an approach rather than a blueprint, flexible and adaptable to a changing environment....
- The process of a SWAp brings together development partners in dialogue on sector policy issues. The implicit bargain is that external development partners give up their explicit role in running projects (or small fragments of the sector) in return for a voice in the overall direction of sector policy and its management"

¹ SPA: If all of 1-3 and at least one of 4-6 then subject to qualitative tracking. If all of 1-6 then subject to quantitative tracking.

² ODI (*Choice of Financial Aid Instruments* 2001): a working definition which focuses on the intended direction of change rather than just the current status.

³ SIDA's *Policy for Sector Programme Support* 2000: the focus of SWAp is on an intended direction of change rather than on an established format. Emphasis on a genuine partnership in development cooperation.

⁴ Ministry of Dutch Development Cooperation (*The Sectoral Approach* 2000): also broad-based country ownership of SWAP policy.

⁵ EC (*Experience of Sector wide Approaches in Health* 2000): partners rely on Government procedures to disburse and account for all funds.

⁶ DAC *Poverty Reduction Guidelines* 2001

⁷ DFID *Departmental Report* 2002

Annex 2: Examples of indicators for evaluating a SWAp at country level

Expected Impact of a SWAp	Indicators (to be tailored to country issues)
Purpose: To achieve better use of resources (both public and private) and hence better results in the [health] sector	<ul style="list-style-type: none"> - Sector monitoring indicators should show results in terms of health and PRS objectives - Assessment of resource use in the sector as a whole (e.g. better value from private spending on health because more private spending is channelled through insurance schemes; less duplication between Government and NGO services; rise in the proportion of qualified midwives working outside the capital city)
Intermediate objective 1: Policies and plans are implemented in line with agreed plans/priorities	<ul style="list-style-type: none"> - Government has kept to the agreed expenditure patterns for the resources it controls - Public Expenditure patterns against key influencing objectives (e.g. a rising share of Government & donor resources were spent in the 20 poorest districts; no increase in public spending on referral hospitals). - Government has implemented sensitive policies or strategies agreed in the sector strategy (e.g. hospital rationalisation; contracting to NGOs; exempting the poor; planned regulation and stewardship implemented; public investment plans adapted to allow for private providers).
Intermediate objective 2: Greater efficiency in use of resources	<ul style="list-style-type: none"> - Administrative efficiency improved (e.g. lower spending on project offices and staff; less duplication of efforts) - Technical efficiency improved (e.g. equipment provision is coordinated and reflects the essential package)
Outcome 1: More Government commitment to and national ownership of development plans.	<ul style="list-style-type: none"> - Government feels ownership and accepts the agreed priorities for allocation (qualitative assessment required?) - Other stakeholders feel they have an influence on sector policy and plans (qualitative assessment required?) - Stakeholders participate in planning (e.g. local private providers involved in district planning)
Outcome 2 'Better' policy and resource allocation for the whole sector	<ul style="list-style-type: none"> - The sector policy and strategy includes priorities of donors, (e.g. emphasis on poverty reduction and efforts to reach the poor; specific measures to address maternal mortality have been implemented; Family Planning services expanded) - Mechanisms are in place and effective to constrain inappropriate investments (e.g. proposal to build costly new hospitals was shelved) - Realistic and active strategies to maximise benefit of private sector (e.g. rationalisation of public services when private nearby; drug quality control reduced fake drugs availability; public knowledge of appropriate treatment) - Balance of resources is more appropriate (e.g. less spent on repetitive training courses; more on staff remuneration)
Outcome 3: Better value from aid transaction costs/efforts, while strengthening national systems and capacity	<ul style="list-style-type: none"> - The 10 top MOH officials spend less time meeting donors individually and attending project reviews - Planning capacity is improved (e.g. National Health Accounts are available and used in assessing the role of the private sector) - The health budget captures donor resources as well as domestic resources - Systems have been strengthened, (e.g. District accounting skills improved; monitoring of service uptake by the poor and under-served groups in place) - The procurement process achieves reasonable prices (by world standards) and delivery times

Notes: Many of the indicators may already be included in the sector monitoring framework. This focuses on impact indicators; evaluation could also include SWAp process indicators (e.g. quality of consultation process, share of external resources in the pooled fund).