

AUGUST 2007

Sector-wide approaches

Implications for sustainable land management and UNCCD financing arrangements

Case studies from Kenya and Uganda

For more information:

The Global Mechanism of the UNCCD
Camilla Nordheim-Larsen
Financial Strategy Officer
Tel. +39 06 5459 2061
c.nordheim-larsen@ifad.org

www.global-mechanism.org



Sector-wide approaches

Implications for sustainable land management and
UNCCD financing arrangements

Case studies from Kenya and Uganda

The original background paper was commissioned by the Global Mechanism and written by Godje Bialluch. This summary has been produced by GM staff.

© 2007 The Global Mechanism of the UNCCD.

Table of Contents

Abbreviations and acronyms.....	4
Introduction	5
SWAps	6
Aid modalities used by SWAps	7
SWAp stakeholders	7
Ministries and departments.....	7
Development partners.....	8
Non-state actors	8
Extending the use of SWAps.....	9
SWAp achievements and limitations	9
A note on programme-based approaches (PBAs)	11
A note on Joint Assistance Strategies (JASs).....	11
SWAps relevant to SLM	11
Country case studies: Uganda and Kenya	12
Uganda: overview	12
Sector development strategies.....	13
Agriculture	13
Environment and natural resources (ENR)	13
Land and wetlands.....	13
Forestry	14
Water.....	14
Joint Assistance Strategy	14
UNCCD focal point	14
NAP	14
Kenya: overview	15
Sector development strategies.....	15
Agriculture	15
Environment and natural resources.....	16
Land	16
ASALs	16
Water.....	16
Joint Assistance Strategy	16
UNCCD focal point	17
NAP	17
Conclusions	17
Policy frameworks.....	17
Coordination frameworks.....	17
Incorporation of SLM and UNCCD issues into SWAp processes.....	18
References	19

Abbreviations and acronyms

ASALs	arid and semi-arid lands
ENR	environment and natural resources
ERS	Economic Recovery Strategy (Kenya)
GBS	general budget support
GM	The Global Mechanism of the UNCCD
HIPC	Heavily Indebted Poor Country
JAS	Joint Assistance Strategy
MDG	Millennium Development Goal
MTEF	medium-term expenditure framework
NAP	National Action Programme
NEMA	National Environmental Management Authority (Kenya)
NSA	non-state actor
PBA	programme-based approach
PEAP	Poverty Eradication Action Plan (Uganda)
PMA	Plan for Modernisation of Agriculture (Uganda)
PRS	Poverty Reduction Strategy
SBS	sector budget support
SIP	Sector Investment Plan
SLM	sustainable land management
SWAp	sector-wide approach
UNCCD	United Nations Convention to Combat Desertification

Introduction

Beginning in the early 1990s, scrutiny of development cooperation aid modalities led to the identification of weaknesses in ways aid was being delivered. These included the unpredictability of the timing and volume of aid flows; the structures for implementation, reporting and monitoring aid that were parallel to recipient government structures; the multiplicity of donor financial reporting and accounting systems; and the sheer number of donor missions, which overburdened the recipient governments administration and increased transaction costs.

Consequently, a new "aid architecture" aimed at increasing the effectiveness of development aid has gradually emerged, defined in the 2005 Paris Declaration on Aid Effectiveness as being founded on greater partner country ownership, harmonization of support measures, better alignment to national systems, and with a focus on results and a commitment to mutual accountability. On a global level this framework is based on the Millennium Development Goals (MDGs), while at the country level it places increasing emphasis on locally designed programmes such as Poverty Reduction Strategies (PRSs), sector-wide approaches (SWAs), programme-based approaches (PBAs) and Joint Assistance Strategies (JASs).

Resource allocation and identification of national development priorities are now more subject to national-level negotiations within the government and between the government, other national stakeholders and development partners. The importance of domestic budget allocations increases considerably through new approaches such as basket funding and sector and general budget support. The level of finance for UNCCD implementation depends more than ever on the political will of partner governments to identify sustainable land management (SLM) as a national priority and to allocate appropriate resources and capacities.

Until recently, work to implement the UNCCD has supported the development of National Action Programmes (NAPs) as the main tool for addressing land degradation at national level. Although most NAPs have successfully captured the technical aspects of desertification and certain strategic elements, many of them have been unable to effectively translate the principles of the UNCCD into a strategic and fundable programme of work.

In recognition of these challenges the Global Mechanism (GM) of the UNCCD has embarked on a strategic programme on economics and financing instruments with the objective of supporting the development and implementation of national financing strategies for UNCCD implementation in its partner countries. The programme examines various aspects of the new financing arrangements and their implications for UNCCD implementation.

This study focuses on sector-wide approaches (SWAs), which have become a preferred model for financial and technical development cooperation. A SWA is a process in which all significant funding for the sector or area - whether internal or external - supports a single policy and expenditure programme under government leadership, with common approaches across the sector. It is accompanied by progressive reliance on government procedures to disburse and account for all funds. Following the principles of the Paris Declaration, SWAs aim to strengthen the partner governments' ownership and leadership in policy and strategy development, implementation and decision-making processes, improve coordination between all stakeholders and enhance alignment of external support to national systems.

SWAs are most commonly found in social sectors such as health and education - in part because SWAs in 'green' sectors such as energy, land, water, environment and natural resources (ENR), agriculture, rural development or decentralization/local government - are more complex and dy-

namic, making them challenging to design, organize and manage. Nonetheless, the number of SWApS in the 'green' sectors is rising.

This report looks specifically at the implications of SWApS for the UNCCD, both as ways to achieve more efficient intra-sectoral information management, coordination and cooperation and to further foster cross-sectoral approaches to promotion of SLM and UNCCD implementation. The analysis is based on a document review and case studies of Uganda and Kenya.

SWApS

SWApS usually have as their main objectives:

- to broaden *ownership* by partner governments of decision-making processes regarding sector policy, strategy and spending;
- to improve *harmonization* through coordination between all relevant policy stakeholders in the sector;
- to promote *alignment* between sector policy, spending and results by unifying expenditure programming and management around the sector budget; and
- to increase *effectiveness* of aid by minimizing transaction costs associated with the provision of external financing.

However, there is no SWAp blueprint. The structure and shape of the SWAp and the pace of progress are determined by the nature of the sector, the composition of stakeholders and the political, social and economic framework conditions in the country concerned. Even the most advanced SWApS are still in the process of broadening support from different sources of funding. Therefore the most accurate way to categorize SWApS is as a policy planning and management process with reform orientation¹

Table 1 compares SWApS to conventional project approaches.

SWAp	Conventional project approach
Country-wide holistic view on entire sector	Focus on projects to support narrowly defined objectives
Partnership with mutual trust and shared accountability	Recipient accountable to donor
External partner coordination and collective dialogue	Bilateral negotiations and agreements
Increased use of local procedures	Parallel implementation arrangements
Long-term capacity/system development in sector	Short-term disbursement and success of projects
Process-oriented approach through learning by doing	Blueprint approach

¹ Evans, Cabral and Vadjjal, 2006.

² OECD/DAC, 2003.

Aid modalities used by SWAps

The predominant aid modality continues to be *project assistance*, which provides specific earmarking of expenditures to a set of agreed activities using government or parallel (sometimes donor-managed) financial management systems specific to the project. The new aid architecture, however, aims to provide most development aid through modalities such as general budget support (GBS) and sector budget support (SBS).

SWAps can encompass a range of aid modalities, distinguished according to the conditionality attached to the funds, earmarking and the disbursement channels and the management procedures used to disburse, account for and audit the funds³. Some aid modalities commonly used under SWAps are:

Sector budget support (SBS). Involves conditions usually requiring agreement between the recipient government and development partners on the sector policy. Funds are earmarked for an agreed expenditure plan for the sector and disbursed and accounted for through government systems, occasionally with some additional sector-specific reporting.

Sector-earmarked support or basket funding. A variation of SBS used when earmarking is required within the sector's programme and expenditure plan because the donor limits aid to specific expenditure categories. Basket funds are administered either by government institutions or by independent financial management agents such as private auditing companies.

General budget support (GBS). Supports the government budget and can be used to increase spending, reduce borrowing or reduce taxes. Funding is disbursed into the government accounts and used and managed according to the national public financial management procedures. GBS has become more prominent since the late 1990s as part of the wider quest to improve the effectiveness of aid.⁴ Some donors favour SBS and the average annual aid to SWAps and sector programmes is growing. Eventually management, implementation and monitoring of aid will rely mainly on the recipient government's administration and financial management systems, although the transition is accompanied by agreements about the government's development strategy. Development partners engage increasingly at the level of policy dialogue and through joint reviews and evaluations of the implementation of agreed strategies and programmes.

SWAp stakeholders

Ministries and departments

The ministry that initiates a SWAp process assumes a pivotal role in the design, organization and implementation of that SWAp. A SWAp coordination unit is usually established to support the ministry, often run by seconded ministerial officers and supported by external technical experts paid from the basket fund or by individual development partners. The ministry and its SWAp coordination unit coordinate the stakeholder consultations process, ensure timely contributions from departments and non-state stakeholders, develop a SWAp budget, elaborate annual operational plans, develop monitoring and evaluation systems and an information, education and communications strategy.

Although decisions within the SWAp process are normally taken in consultation with the wider stakeholder forum, the lead ministry makes the final decision on priorities and disbursement of funds, under the supervision of a technical coordination committee. The SWAp lead ministry and

³ Foster and Leavy, 2001.

⁴ For more information on general budget support, see Koeberle and Stavreski, 2005; Collier, 2006; and Unwin, 2004.

development partners generally sign a joint agreement that spells out their responsibilities and mandates. Development partners' financial contributions to the SWAp are managed through a separate financing agreement that formulates preconditions, sequencing and indicators for the funding process. Ideally, the lead ministry elaborates both agreements in consultation with the development partners.

Departments and units under the lead ministry elaborate their own budget and activity plans in line with the sector strategic plan (or sector investment plan) and SWAp process. They are responsible for implementation, delivery of services and data collection for monitoring purposes.

Development partners

In accordance with the Paris Declaration's aims of increasing partner country ownership, improving alignment to government systems and improving coordination, development partners are expected to assume a consultative role in SWAp processes. Ideally, they support development of the necessary instruments and plans; provide short-term technical assistance and long-term technical advisory services according to the partners' demands; and together with partner governments oversee the implementation and monitoring of the SWAp process. They provide financial resources in accordance with the agreed budget plan and match the partner government's own contributions.

Development partners generally select a chair and members for a development partner group, often supported by a secretariat. The chair normally participates in SWAp oversight committees to jointly approve budget and activity plans. Development partners may also finance consultation and planning exercises, commission joint consultancy missions, elaborate memoranda of understanding and pay for staff in essential SWAp positions or advisors providing expertise on crosscutting issues such as gender, SLM and human rights. It is a matter of debate the extent to which development partners should be engaged in SWAp processes.

Non-state actors

Non-state actors (NSAs) such as civil society organizations and private sector organizations are important members of the SWAp stakeholder forum whose collaboration is crucial for the success of the process. NSAs often play an advisory role in the formulation of sector policies and strategic plans, information, education and communication policies and monitoring and evaluation systems.

NSAs may provide services similar to those provided by governments (e.g. legal aid, healthcare, agriculture extension services and environmental awareness), fulfil watchdog functions and monitor government behaviour, budget allocation and spending patterns. Their mandate in relation to a SWAp is to establish a direct link with the citizens who are the beneficiaries of the process, ensuring 'accountability from below'. This sometimes leads to disagreements between the government and civil society organizations on the direction of SWAp processes and occasionally the disengagement of the organizations from the process.

NSAs have no direct access to SWAp financial resources. They may receive limited financial support for their service provider functions if deemed necessary to complement government services, but watchdog roles are not supported financially, and often NSAs do not have sufficient resources and capacities to fulfil this role effectively. Development partners sometimes set up separate funding mechanisms to support the capacity development and engagement of NSAs in SWAps.

Extending the use of SWAps

The first SWAps were used mainly in highly aid-dependent poor countries in sub-Saharan Africa and Southeast Asia. However, since the late 1990s the approach has been extended to less aid-dependent countries such as India, Brazil and Morocco⁵. They are still used most commonly for social sectors such as health and education.

As interest grows in using SWAps in such 'green' sectors as energy, land, water, ENR, agriculture, rural development and decentralization/local government - which are more complex and dynamic than social sector SWAps, entailing a wider range of heterogeneous stakeholders - agreement on responsibilities, roles and contributions of each stakeholder and access to funds, is more difficult to achieve. Moreover, 'green' sectors generally involve several line ministries due to their cross-cutting nature, and each ministry has its specific interests in policy and strategy development efforts. Developing a joint strategy and reaching consensus on implementation of sector policy includes harmonization of mandates and transparency of resource allocation and decision-making processes, all of which makes the process more challenging. Nevertheless, support for SWAps in the 'green' sectors is increasing⁶.

SWAp achievements and limitations

Some of the achievements of SWAps are:⁷

- **Improved policy dialogue.** SWAps provide a forum for national and international stakeholders (government, development partners, civil society and private sector) in which policy issues can be discussed, benchmarks agreed upon and challenges jointly addressed. SWAps help create common understanding and build mutual confidence.
- **Increased government leadership.** There is increased government leadership of the policy development process and aid management with SWAps. Sector strategies prove to be good frameworks for donor coordination and stakeholder consultations and contribute to enhancing transparency and predictability of financial and technical support to the sector.
- **Better predictability of sector funds.** SWAps help focus sector priorities and strengthen links between partner government and development partner funding within the context of the medium-term expenditure framework (MTEF). As a result, the flow of national and donor resources to a sector - is more predictable, both in terms of volume and timing, thereby improving conditions for planning and management of sector strategies.
- **Harmonization and alignment of donor procedures with public financial management systems.** Development partners engage more frequently in joint procedures for missions, monitoring and reporting. They increasingly pool support for sectors and channel it through government financial management systems to support SWAps.

There are still a number of important limitations with the use of SWAps. These include:

- **Institutional capacity constraints.** Planning and implementation of complex SWAps presents additional challenges to organizations and emphasizes existing capacity constraints. A limited number of government departments are often responsible for driving the SWAp process forward. These are often externally funded or supplemented. This limits the breadth of support and the chances of broadening SWAp ownership beyond individ-

⁵ Evans, Cabral and Vadjal, 2006.

⁶ Strategic Partnership with Africa, 2005

⁷ Foster, 2000; Strategic Partnership with Africa, 2005; and Evans, Cabral and Vadjal, 2006.

ual institutions and can put the sustainability of capacity development measures at risk. Stakeholders still tend to view a SWAp as merely an innovative way of funding rather than an opportunity for reform of institutional structures and systems.

- **SWAp fatigue.** Planning processes for SWAps are time- and energy-consuming, involving the development of strategies and instruments. Development partners often require time-intensive prerequisites, prior actions and preconditions before funding is disbursed. Transaction costs including time spent in meetings are especially high at the beginning of SWAp processes. Focus on the SWAp process itself rather than on the policy outcomes can result in national stakeholder 'SWAp fatigue'.
- **Centralization of policy processes.** SWAp preparatory processes take place at the central level and often ignore those who implement the SWAp at the local level. Concentrating planning and decision-making power within the national administration contradicts the decentralization and devolution processes underway in many developing countries and risks overloading local structures and implementers without first building capacity and competencies.
- **Disagreement over roles and policy directions.** SWAps are meant to be vehicles of reform. Revision of roles and mandates are core elements of the SWAp process and often a cumbersome task. Disagreement between stakeholders persists, especially in cases involving less state involvement. Agreement on policy directions is particularly challenging in sectors where private/public roles are still evolving (such as agriculture, ENR and health).
- **Limited genuine participation options for non-state actors (NSAs).** SWAps create a platform for policy dialogue, but do not automatically overcome limited genuine participation of civil society and private sector in strategy formulation and implementation. NSAs need both technical and financial support to engage as equal partners in SWAp processes. The relationship between governments and NSAs is especially prone to conflict in sectors where NSAs assume a watchdog role (e.g. governance, ENR or land). Conflict resolution and cooperation instruments need to be further developed.
- **Weak downward accountability.** During the SWAp preparation process development partners focus on accountable and transparent public financial management systems in order to assure correct utilization of external funds (upward accountability). Often less attention is paid to capacitating the beneficiaries of SWAp outcomes in order to assure 'downward accountability'. This weakness needs to be overcome before SWAps can serve as real reform accelerators⁸. The capacities of parliaments and financial oversight institutions need to be developed so that they can guarantee accountability.
- **Weak monitoring and evaluation systems.** SWAps need to develop integrated and cohesive systems to measure their results effectively and to utilize the information efficiently for improving SWAp planning and implementation. SWAp systems often need to be harmonized with the monitoring frameworks of national PRS and National Development Plans.
- **Lack of coordination between SWAps.** Coordination and information management between SWAps is limited. Only some SWAps invite organizations with a crosscutting portfolio to participate in their decision-making panels. On the development partners' side, the Harmonization, Alignment and Coordination Secretariat should assure information man-

⁸ Mfunwa, 2006.

agement between the donor sector coordination groups. Experience indicates however, that they are not always effective.

Work is being done at the international and national levels to improve procedures and systems to overcome these challenges.⁹ The consultation process for the development of Joint Assistance Strategies can also make a positive contribution.

A note on programme-based approaches (PBAs)

One limitation of SWAps is that a 'sector' is often equated with a public sector organizational structure (such as a sector ministry), leaving out other relevant agencies. The concept of programme-based approaches (PBAs) was introduced to avoid that limitation. PBAs are based on comprehensive and coordinated planning in a given sector, thematic area, programme or national poverty reduction strategy (PRS). They offer a higher degree of institutional flexibility by focusing on a policy's programme and objectives (whether multi-sectoral, sectoral or sub-sectoral) rather than on an institutional structure such as a line ministry. The distinction between SWAps and PBAs is often blurred and SWAp is still the term most often used. Discussions on how to further define approaches and concepts continue at both the international and national levels as the new aid architecture evolves.¹⁰

A note on Joint Assistance Strategies (JASs)

In the context of the new aid architecture development partners have recently embarked on developing Joint Assistance Strategies (JASs), especially in sub-Saharan Africa. Deriving from the recipient countries' Poverty Reduction Strategies (PRSs) or National Development Plans and guided by the Paris Declaration, JASs aim to increase transparency, coordination and the reliability and predictability of aid flows.

The process involves development partners defining and agreeing on their comparative advantage by sector in order to determine sector chairs. This allows them to fully disengage from certain sectors or to opt for silent partnerships, which is intended to lead to clearer, more focussed and more effective engagement of a reduced number of development partners per sector. JASs have been or are about to be finalized in Zambia, Ghana, Uganda and Kenya.

SWAps relevant to SLM

SLM is an issue that cuts across several sectors. The International Framework for Evaluating Sustainable Land Management Working Party defined it as an area that combines technologies, policies and activities aimed at integrating socio-economic principles with environmental concerns so as to simultaneously:

- maintain or enhance production/services (*productivity*);
- reduce the level of production risk (*security*);
- protect the potential of natural resources and prevent degradation of soil and water quality (*protection*);
- be economically viable (*viability*); and
- be socially acceptable (*acceptability*)¹¹.

⁹ See Learning Network on Programme-based Approaches (<http://www.remote4.acdi-cida.gc.ca/pbas>); Strategic Partnership with Africa (<http://www.spa-psa.org/main.html>); Global Donor Platform on Rural Development (<http://www.rdxl.org>); Africa Forum on Rural Development (<http://www.africaforum.info>).

¹⁰ Burall and Maxwell, 2006.

¹¹ Smyth and Dumanski, 1993

'Land' is defined in the UNCCD (Part I, Article 1) as 'the terrestrial bio-productive system that comprises soil, vegetation, other biota, and the ecological and hydrological processes that operate within the system'. Desertification is defined as 'land degradation in arid, semi-arid and dry sub-humid areas resulting from various factors, including climatic variations and human activities'. Combating desertification subsequently 'includes all activities, which are part of the integrated development of land in these areas for sustainable development and which are aimed at prevention and/or reduction of land degradation, rehabilitation of partly degraded land and reclamation of land'.

Based on these definitions, the sectors closely related to SLM are agriculture and rural development, environment and natural resources, water, forestry and land. While this study focuses on these sectors, it is important to note that SLM as a crosscutting issue is relevant, albeit in a less direct way, to education, health and governance SWAs (for example SLM in school curricula, public health issues affected by SLM and legal aspects of land tenure and access rights).

Country case studies: Uganda and Kenya

In both Uganda and Kenya, land degradation, deforestation and desertification put high pressure on natural resources. SLM is thus vital for both countries. Uganda ratified the UNCCD in 1994 and Kenya in 1997. With the support of the GM, they developed National Action Programmes (NAPs) to combat desertification and have begun NAP implementation. In addition, both countries are engaged in aid harmonization and alignment processes in line with the principles of the Paris Declaration.

Uganda: overview

Foreign aid accounts for half of Uganda's public expenditures. It was the first country to qualify for Heavily Indebted Poor Countries (HIPC) debt relief, the first recipient of a World Bank Poverty Reduction Support Credit (PRSC) and its poverty strategy anticipated the now-standard Poverty Reduction Strategy Papers. General budget support (GBS) began in 1998 and with HIPC debt relief was channelled to priority poverty-reduction programmes through the Government budget, while budget support was earmarked to sector programmes in education and health. Sector Working Groups were introduced provide policy dialogue forums for representatives from government, development partners, civil society and private sector to jointly oversee processes in the sectors. While the 2001 PRSC included strengthening environmental institutions, environmental institutions remain weak and under-funded. Recent concerns about weak governance have eroded Uganda's standing with its development partners and some have cut their budget support¹².

Uganda was among the first sub-Saharan countries to introduce SWAs. There are mature SWAs in the water and agriculture sectors, one under development in the environment and natural resources sector and a number of harmonization and alignment efforts have been successful in the forestry and lands and wetlands sub-sectors. Uganda is a pilot country of the TerrAfrica initiative (jointly supported by the World Bank, the GM, the UNCCD Secretariat and NEPAD), which provides a collective approach to SLM, potentially helping to improve the efficiency of existing coordination frameworks relevant to SLM and UNCCD implementation and fostering cross-sectoral approaches.

¹² Lister *et al.*, 2006.

Sector development strategies

The Ugandan Poverty Eradication Action Plan (PEAP) provides the overarching policy framework for all sector development strategies, including SWApS. The PEAP aims to reduce poverty by enhancing industrialization and economic growth, and underlines the critical importance of the agriculture sector for sustainable poverty eradication and economic growth. It also provides an overview of the challenges for the land, water resource management and forestry sectors and for safeguarding wetlands and wildlife. The PEAP makes special reference to the need to develop a SWAp for the ENR sector.

Agriculture

About 86% of the Ugandan population lives in rural areas and 77% of the active labour force is employed in agriculture (2004 PEAP). The agriculture sector is critical for poverty reduction and rural development, but the severe loss of soil fertility during the last decade, caused mainly by land fragmentation and deforestation, is a major constraint.

The Plan for Modernisation of Agriculture (PMA) sets out the strategic vision and principles for the sector. Its holistic framework and multi-sectoral interventions provide a guide for the agriculture SWAp, and one of its pillars is 'sustainable natural resource utilization and management'.¹³ PMA implementation involves a large number of stakeholders in a complex arrangement requiring coordination and linkages both within and between institutions. It is funded through a variety of aid modalities including general budget support, a basket fund, sector programme support and project aid.

Lack of consensus concerning land use policy has limited the PMA's capacity to address issues of environment and sustainable use of natural resources. Environmental issues are addressed at district level through the District Environmental Action Plans, but there is limited incentive for farmers to change their methods (DANIDA, 2005).

Environment and natural resources (ENR)

The ENR Management Sector Working Group is developing an ENR SWAp but reconciling public and private interests has been an obstacle. An ENR Sector Investment Plan (SIP) is expected to provide a competitive environment for ENR sub-sector institutions within a budget ceiling set by the medium-term expenditure framework (MTEF). The ENR SIP could provide important financial resources to the sector. The European Commission and the African Development Bank have carried out ENR sector assessments, and the World Bank envisages continuing sector support through a SWAp/SIP.

Land and wetlands

Wetlands are a major national asset and are faced with significant threats from human activities in both urban and rural areas. The National Wetlands Policy (1994) guides all activities of the sub-sector to ensure that the socio-economic and biophysical values of wetlands are maintained, while the Wetlands Sector Strategic Plan 2001-2010 was launched as a consolidated framework for improving wetland management. The Land Sector Strategy Plan 2001–2011 provides a framework for the contribution of the land sector to government policies and programmes and uses a SWAp to address the need for reforms in the land sector.

¹³ The other pillars are: research and technology; national agricultural advisory services; agricultural education; improving access to rural finance; agro-processing, and marketing and physical infrastructure.

Forestry

In 2002, a forestry sector strategic plan was approved with the aim of developing 'an integrated forest sector that achieves sustainable increases in economic, social and environmental benefits from forests and trees by all the people of Uganda, especially the poor and vulnerable'. From 1999 to 2004 the Forest Sector Umbrella Programme and SWAp received multi-donor support and facilitated an inclusive consultation process. The Forest Sector Coordination Group comprises several ministries, private sector and civil society representatives. Policy aims at capacity development, decentralization, reform of forestry advisory services and strengthening forestry research and education.

Water

Although Uganda's extensive freshwater resources have been depleted and degraded at an alarming pace, harmonization and alignment processes in the water sector are now among the most advanced in the country. The government initiated reforms in the water sector in 1997 under the PEAP's human development pillar, involving decentralization and liberalization and a shift from projects to programmes. Development partners support the SIP 2000-2015 for Rural Water Supply through general budget support, sector budget support and project approaches. Despite significant progress, lack of capacity within the sector's institutions continues to limit their functions (MLWE, 2005).

Joint Assistance Strategy

The Uganda JAS was designed to harmonize support for the Government in reaching PEAP outcome targets. Development partner assistance will be channelled through coordinated budget support, SWAps, and basket funding arrangements and will emphasize promoting environmentally sound technologies. Development partners recognize the importance of a sustainable, integrated approach to natural resource management and the need for adequately financed regulatory agencies and sound policy and regulatory frameworks. They are committed to supporting improved management and sustainable use of protected areas, improved productivity and governance of ecosystems (such as Lake Victoria and the River Nile) and the consolidation of water sector reforms through a SWAp and general budget support. They have also expressed support for the planned ENR SWAp.

UNCCD focal point

The UNCCD focal point is located at the Ministry of Agriculture, Animal Industries and Fisheries at the operational/technical level and does not participate directly in the existing frameworks and coordination forums. Information sharing and coordination on issues with importance for UNCCD implementation and SLM takes place through the UNCCD national steering committee.

NAP

A multi-sectoral UNCCD National Steering Committee provides guidance in the formulation and implementation of the NAP. The NAP outlines the framework for UNCCD implementation and the priority action areas for combating desertification and land degradation in a detailed and technically sophisticated manner. These concur to some extent with strategic plans for the water, land and forestry sectors. Several government investment plans include issues related to land degradation and SLM and thus relate to the priorities of the UNCCD NAP. This can be attributed in great part to the GM's advocacy work in Uganda, which during recent years has focused on mainstreaming the NAP priorities.

Kenya: overview

Less than 15% of the Kenyan national budget comes from external funding and it is not eligible for debt relief. Harmonization and alignment processes are still in the early stages, but progress has been made in the last five years. Development partners have been reluctant to provide budget and/or sector budget support due to concerns about the robustness of the public financial management system. The introduction of the Medium-Term Expenditure Framework (MTEF) as part of management reforms - including public expenditure reviews and further accountability measures - improved public financial management, but in 2005-6 only the European Union (EU) provided direct budget support, which was suspended following allegations of high-level corruption.¹⁴ The education and governance SWAPs are the most advanced harmonization and alignment processes in the country. Development of SWAPs for the health and water sectors is underway, while stakeholders in the agriculture and land sectors cooperate using joint basket funds administered by independent financial management agents.

Sector development strategies

The Economic Recovery Strategy for Wealth and Employment Creation 2003–2007 (ERS) is the overarching national policy document that guides all sector strategies in Kenya. The strategy is based on the four pillars of macroeconomic stability, governance and rule of law, physical infrastructure, and investment in human capital and productive sectors. Its five crosscutting themes are ENR, water and sanitation, information and communication technology, land administration and survey, and finance. Agriculture, fishing and forestry are given attention as major productive sectors, while ENR, and water and sanitation, are seen as important crosscutting themes. The ERS foresees the development of a multi-sectoral arid and semi-arid lands (ASALs) programme targeted at geographical areas with high poverty incidence and recognizes the need to integrate the ASALs into overall development strategy.

Agriculture

Agriculture employs about 80% of the Kenyan population. It directly contributes 26% of the GDP and 60% of total export earnings and contributes even more through linkages with the manufacturing, distribution and service-related sectors. Agricultural activities are concentrated in 20% of the country, while availability of high-potential cropland has declined due to the expansion of competing uses such as forestry, wildlife conservation and urban development.

The Strategy for Revitalizing Agriculture 2004–2014 establishes the vision and framework for the sector and provides policy guidance. It stresses the importance of sustainable land management and cites as major problems decline of soil fertility, reduced vegetative cover, pollution, siltation, drying of water resources and frequent droughts and floods. It foresees promotion of eco-friendly and sustainable production and consumption practices through a multi-sectoral approach that includes a legal and regulatory framework governing land use and environmental pollution, rehabilitating degraded and deforested areas and encouraging farmers to practise agro-forestry.

Development partners back the strategy and have started harmonizing their support measures, although line ministries continue to prepare individual annual budget plans. An Agriculture Strategy Coordination Unit, with its own basket fund, facilitates coordination between stakeholders in the agriculture sector and provides linkage between the Strategy and the MTEF process.

¹⁴ The African Development Bank has indicated interest in providing direct budget support.

Environment and natural resources

While support to the ENR sector is project-based, the Governments of Denmark and Sweden have supported the Ministry to develop a national and cross-sectoral environmental policy and strategy framework, enhance decentralized and cross-cutting environmental management and strengthen civil society participation in policy formulation and implementation, all of which could help development of a SWAp process. Several projects supported by the Global Environmental Facility (GEF) promote improved management of soil, land, water and wildlife resources, including through such innovative approaches as paying landowners for providing environmental services. Partners are also supporting monitoring and controlling of air and water pollution in Kenya's rapidly-growing urban centres.

Land

The Ministry of Lands led a successful process (involving civil society organizations that provided technical expertise) to develop a land sector policy. It provides an integrated approach for reforms targeting legal, administrative, institutional, socio-political and structural constraints and underlines the need to harmonize policies and strategies for sustainable land management. Several development partners agreed on joint financing arrangements for the land policy development process and a basket fund is administered by an independent financial management agent. The Development Partner Group on Land works with UN-HABITAT to provide a coordination secretariat and technical adviser. Support is envisaged for the development of a land information management system and countrywide public education measures. Decentralized action research and implementation of pilot initiatives with high political profiles (such as land tribunals and land management) will also be undertaken.

ASALs

Eighty percent of Kenya's land area on which one-third of the country's population lives, is arid and semi-arid. A comprehensive policy for the sustainable development of arid and semi-arid lands (ASALs) was developed. It calls for a review of the land tenure system, water resource management, social and community development, improvement of access to education and health facilities, and integration of agropastoralism. The policy aims *"to improve the standard of living of the ASAL population by appropriately integrating ASALs into the mainstream national economy and social development in an environmentally sustainable manner."* It has not yet been approved - in part because of lack of harmonization. Prospects are limited for a more concerted approach to support for the ASALs.

Water

The new Water Act came into effect in 2002. Subsequent sector reform foresaw a water SWAp. The Ministry of Water and Irrigation took on coordination of donor inputs in 2004, while donor coordination takes place through the Water and Sanitation Technical Group. In October 2006, the first SWAp conference for the water sector took place at which a SIP was presented, participants agreed on water sector undertakings and assigned responsibilities to various national institutions, and donors pledged support.

Joint Assistance Strategy

The final draft of the Kenya JAS for 2007–2011, involving 15 development partners, was presented to the Government in September 2006. The strategy is organized around the four pillars: encouraging economic growth; investing in people; reducing poverty and vulnerability; and strengthening

institutions and improving governance. It foresees making budget support available if the government makes adequate progress in transparency and accountability. A shared assessment framework for 2007 – 2011 is being drawn up in consultation with JAS partners.

UNCCD focal point

The UNCCD focal point in Kenya is the Director of Environmental Planning and Research Coordination within the National Environmental Authority (NEMA). NEMA has participated in development of the land policy and in SWAp coordination committees, although the UNCCD focal point has had limited experience with harmonization and alignment processes and is not directly involved in coordination with other sectors or stakeholders. NEMA faced allegations of poor governance and corruption and a number of directors and technical staff were let go before the UNCCD focal point joined in January 2006. The Danish and Swedish Governments are to start implementation of the Environment Programme Support, which will strengthen NEMA's capacity.

NAP

The NAP, launched in 2002, identifies constraints to combating desertification in Kenya as: a sectoral approach to programming; low and uncoordinated funding; inadequate policies and regulatory frameworks; and inadequate capacity for implementation, monitoring and evaluation. The measures to be taken are identified as: enabling effective stakeholder participation in programmes and projects to combat desertification; enhancing knowledge on controlling desertification; and providing financial resources and mechanisms to ensure completion of projects and programmes. NAP priorities are similar to those identified by SWAps in the land, agriculture and water sectors, although explicit references to the UNCCD and NAP are not included in the SWAp policy documents.

Conclusions

Policy frameworks

In both Kenya and Uganda the policy documents that constitute the cornerstones for economic development and poverty eradication (the PEAP in Uganda and the ERS in Kenya) acknowledge the importance of sustainable resource and land management for the wellbeing of the nation and sustainable economic development.

In Uganda, the past decade has seen a plethora of national policies, strategies and plans for rural development generally and ENR specifically. Since government members of the emerging ENR sector are located in three ministries and environment and SLM are seen as cross-cutting issues by a number of sectors, coordination problems and inter-organizational struggles for budgets and control, exist. Kenya faces similar risks of excessive policy formulation, lack of clarity on responsibilities and inter-organizational competition for budgets and control.

Coordination frameworks

In both countries there are a large number of coordination frameworks for SWAps that have contributed to more transparency within individual sectors. Yet interfaces and institutionalized information management between sector coordination groups and SWAps have yet to be developed. This holds true for government line ministries and agencies and for development partners.

Opportunities for cross-sectoral partnerships have not been extensively explored. Successfully establishing partnerships would provide stronger justification for investments, economies of scale and better coordination of funding and management across sectors (ADF/GoU, 2005). There are

lacunae in policy interpretation and implementation at the level of decentralized government (DANIDA, 2005), while capacity gaps and limited understanding of SWAp at the level of local stakeholders slow implementation processes. Monitoring and evaluation can be a cumbersome exercise in complex SWAp and is even more challenging for crosscutting issues such as SLM and management of natural resources. Developing comprehensive frameworks for measuring strategy outcomes and impacts has been slow.

Stakeholder consultations and coordination in SWAp preparation and planning processes have been extensive in both countries and allowed participation and contributions from government, civil society and the private sector. While conflicts sometimes arise between governments and NSAs, it is hoped that the SWAp processes will continue to be conducted in a participatory manner.

Incorporation of SLM and UNCCD issues into SWAp processes

Many NAP priority areas and components have been taken up by various sector strategies and SWAp assessed in the course of this study. The GM's efforts to mainstream UNCCD issues and do advocacy work in Kenya and Uganda can be given credit in this context¹⁵. However UNCCD focal points are not directly involved in SWAp development processes in either Kenya or Uganda. SWAp documents make little or no reference to the UNCCD focal points and the NAPs.

In both countries, increased donor-government coordination along the principles of the Paris Declaration, including SWAp, is helping to overcome constraints that had been identified by the NAPs as obstacles to sustainable land management and UNCCD implementation, such as unpredictable and uncoordinated funding, inadequate policies and regulatory frameworks, individual project approaches with no interrelation and limited opportunities to promote cross-cutting issues.

SWAp processes help to: put in place more adequate and robust policies and legal and institutional frameworks; provide information and enhance knowledge; obtain resources and mechanisms to ensure completion of projects; and ensure capacity-building for all stakeholders and institutions. SWAp can also help ensure the incorporation of crosscutting issues into sector strategies and policies and enable sector-wide monitoring and evaluation systems to be put in place.

SWAp offer an opportunity to elaborating clearer strategies with more emphasis on cross-cutting issues such as SLM and UNCCD implementation. They create comprehensive frameworks that encourage more concerted efforts, effective resource allocation and efficient follow-up measures.

While achieving efficient intra-sectoral information management, coordination and cooperation is still challenging and dealing with issues cutting across different SWAp can be difficult, SWAp processes in the 'green sectors' have the potential for laying the cornerstones for improving cross-sectoral approaches.

¹⁵ Turner and Reij, 2006.

References

- ADF/GoU** (2005) *Agriculture and rural sector review*. African Development Fund and Government of Uganda, Kampala.
- Burall, S. and Maxwell, S. with Rocha Menacal, A.** (2006) *Reforming the international aid architecture: options and ways forward*. Overseas Development Institute, London.
- Collier, P.** (2006) *Assisting Africa to achieve decisive change*. Centre for the Study of African Economies, Department of Economics, Oxford University, Oxford.
- DANIDA** (2005) *A joint evaluation – Uganda’s plan for the modernisation of agriculture*. DANIDA and Oxford Policy Management Ltd, Oxford.
- Evans, A., Cabral, L. and Vadnjal, D.** (2006) *Sector-wide approaches in agriculture and rural development – Phase I: A desk review of experiences, issues and challenges*. Global Donor Platform for Rural Development, Bonn.
- Foster, M.** (2000) *New approaches to development co-operation: What can we learn from experience with implementing sector-wide approaches?* Working Paper 140, Overseas Development Institute, London.
- Foster, M. and Leavy, J.** (2001) *The choice of financial aid instruments*. Working Paper 158, Overseas Development Institute, London.
- Koerberle, S. and Stavreski, Z.** (2005) *Budget support: concept and issues*. World Bank, Washington, DC.
- Lister, S., Baryabanoha, W., Steffensen, J. and Williamson T.** (2006) *Uganda country report. Joint evaluation of General Budget Support 1994–2004*. International Development Department, Birmingham University, Birmingham.
- Mfunwa, M.** (2006) *Strengthening internal accountability in the context of programme-based approaches in sub-Saharan Africa*. Discussion Paper 4/2006, German Development Institute, Bonn.
- MWLE** (2005) *Report on the evaluation of institutional support to and operation of the Environment and Natural Resources Sector Working Group*. Ministry of Water, Lands and Environment, Kampala.
- OECD/DAC** (2003) *Harmonizing donor practises for effective aid delivery*. Good Practice Papers, Organisation for Economic Co-operation and Development Assistance Committee, Paris.
- Smyth, A.J. and Dumanski, J.** (1993) *FESLM: An international framework for evaluating sustainable land management. A discussion paper*. World Soil Resource Report 73, Food and Agriculture Organization of the United Nations, Rome.
- SPA Secretariat** (2005) *SPA – 2004 Sector programme tracking report: toward sector support alignment*. Strategic Partnership with Africa, Washington, DC.
- Turner, S.D. and Reij, C.P.** (2006) *Mainstreaming the UNCCD*. Centre for International Co-operation, Vrije Universiteit, Amsterdam.
- Unwin, T.** (2004) *Beyond budgetary support: pro-poor development agendas for Africa*. Third World Quarterly, 25(8): 1501-23.