

OZA Forum 24. November 2009

**Use of Country Systems**

# Independent Evaluation of Decentralisation in SDCs Bilateral Co-operation (May 2007)

"What is even more remarkable is the rare use of governmental agencies and in this case of national and local government structures to implement [decentralisation] projects;

There seems to be a tendency to establish channels of communication and institutional arrangements that in the worst case might be characterised as parallel structure or outside the scope of local government in the national context.

# Use of Country Systems: Definitions

Use of Country PFM,  
procurement and audit  
systems;

Channel aid through  
National Bodies  
(national, regional or  
local level;  
governmental/non  
governmental bodies)  
for project/programme  
implementation

Sector Wide  
approaches with or  
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budget support

General Budget  
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A state that assures its minimal functions, and is accountable towards its citizens, is generally considered a precondition for a country's sustainable, long term development;

Sector Wide  
approaches with or  
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General Budget  
Support

Use of Country  
Systems

Using and Building Country  
Systems and reducing parallel  
Project Implementing Units is  
part of the so called Alignment  
process; one of the Five  
Commitments of the Paris  
Declaration.

Parallel Project  
Implementation  
Units PIUs

**Partnerschaft/Empowerment**

**Eigenständigkeit /Ownership/Kapazitätsaufbau**

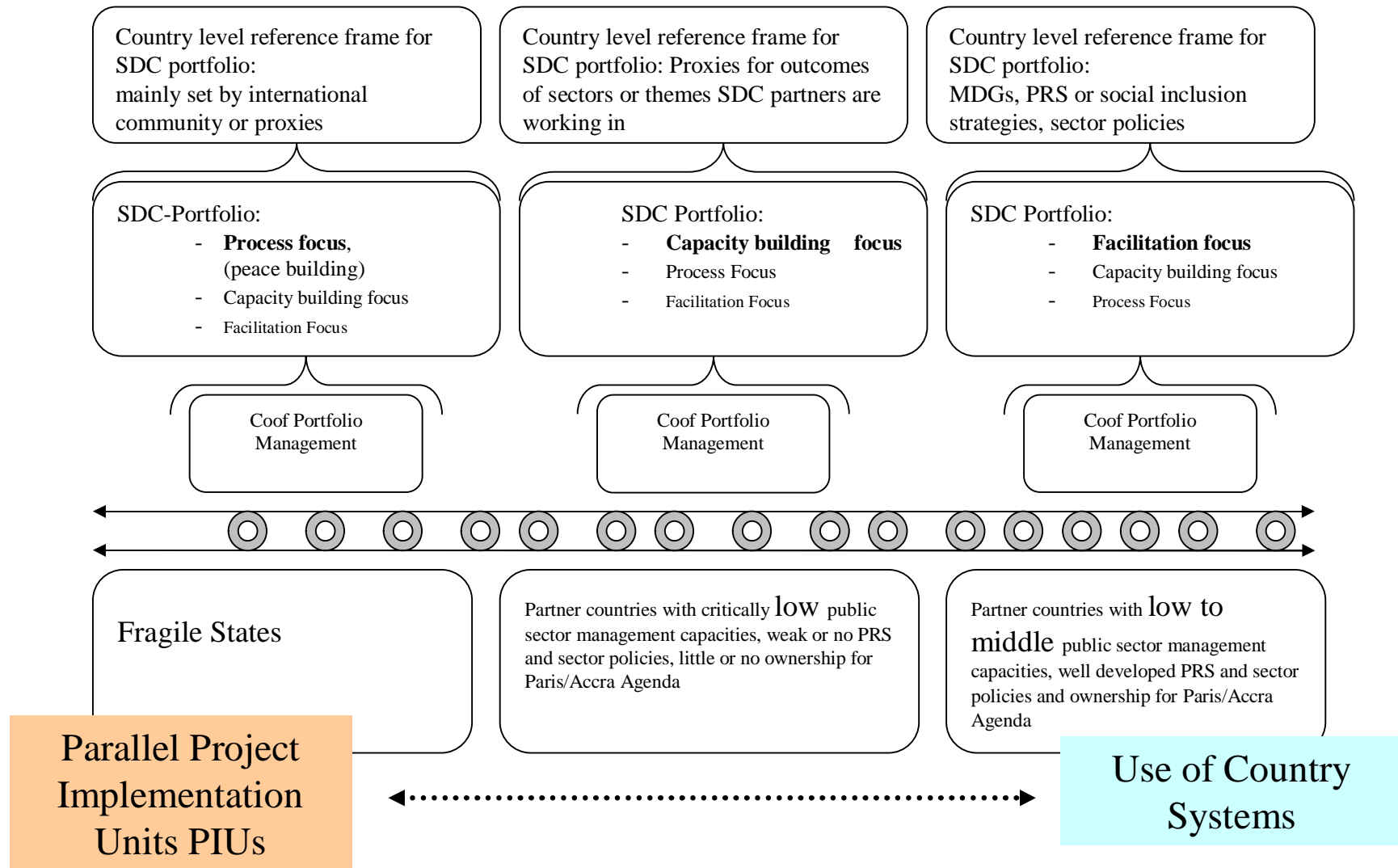
**Wirksamkeit**

**Nachhaltigkeit**

**Risque Fiduciare;  
Implemtierungs-Risiko**

**Kontrollierbarkeit der Umsetzung;  
Zeitfaktor;**

# Country Context and Choice of Implementation Structures



Kalkuliertes Risiko

**Partnerschaft/Empowerment**  
**Eigenständigkeit /Ownership**  
**Wirksamkeit**  
**Nachhaltigkeit**

Aus Sicht der DEZA leitet sich der "Use of Country Systems" nicht unreflektiert aus der Paris und Alignment

Agenda ab: Es müssen Kriterien, u.a der Guten Regierungsführung, erfüllt sein;

### **Mögliche Bedingungen für "Use of Country" Systems/Fundamentalprinzipien**

- Absenz von Bewaffneten Konflikten im Inland und mit Partnerländern;
  - Respektierung Demokratischer Prinzipien (freie Wahlen, freie Medien);
    - Respektierung der Menschenrechte;
    - Akzeptable Qualität des Managements der Öffentlichen Finanzen, Rechenschaftsablegung, Transparenz;
  - Rechtsstaatlichkeit – akzeptable Qualität des Justizsystems;
  - Respektieren marktwirtschaftlicher Prinzipien und der Eigentumsrechte – Raum für Privatsektorentwicklung;
    - Raum für kritische Zivilgesellschaft;
    - Glaubwürdiger Entwicklungsplan respektive Armutsreduktionsstrategie;
- (Aus dem Grundsatzentscheid der DEZA Direktion zu Budgethilfe, 3. Juli 2009)

Should SDC consider that the context does not allow following the PD principles, in particular in the presence of an illegitimate or dysfunctional state, it will communicate the reasons of its decision.

*Source: SDC AAA Implementation. Guidelines*

# The Link between Use of Country Systems and Capacity Building

A functioning state is an precondition for a country's sustainable development;



Strengthening and Use of Country Systems  
<->  
Sustainable Capacity building;  
National ownership;



SDC considers capacity development of all actors and stakeholders as a key component of an empowerment process that ensures entire and meaningful participation. SDC defines capacity development as one key precondition to democratic country ownership.

*(Source: SDC AAA Guidelines);*



**Use of Country Systems:  
Examples WBA and CIS**

# Draft Partnership Principles in the Republic of Moldova

Development Partners will support the implementation of these policies through national institutions and, increasingly, through the **"Use of Government systems"**;



## **Agreed Conditions:**

- GoM is committed to the National Development Strategy 2008-2011
  - Regular Information Sharing
  - Medium Term Expenditure Framework (PFM)
    - Improvement of PFM
      - Decentralisation
    - Coordinated Approach in Transnistria
  - Recognition of Civil Society as independent Development Partners
- Monitoring of Development Progress

**Sector-wide approach (SWAp)** with support to health sector budget (via WB Trust Fund) in Kyrgyzstan, because too often:



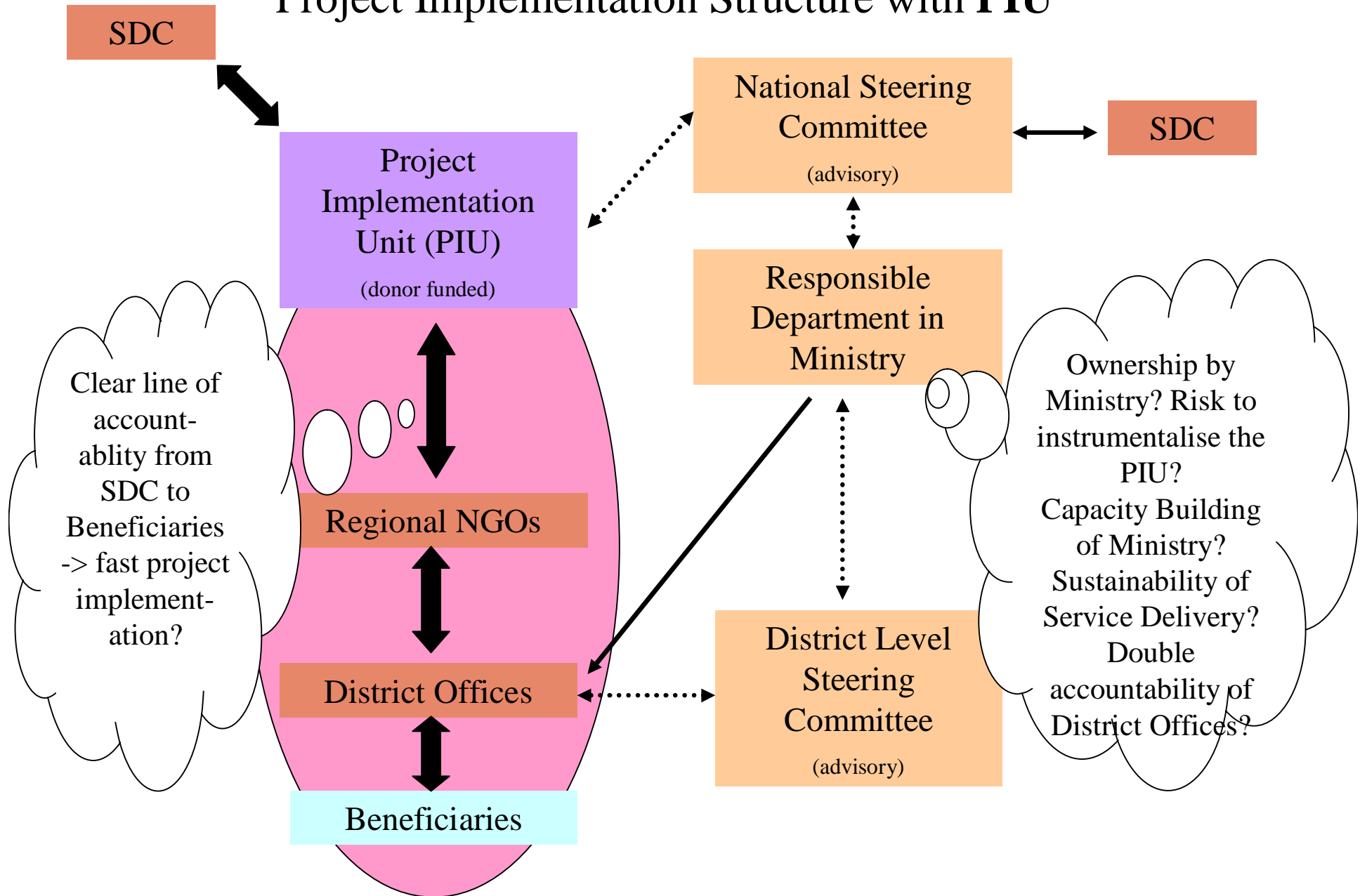
oder



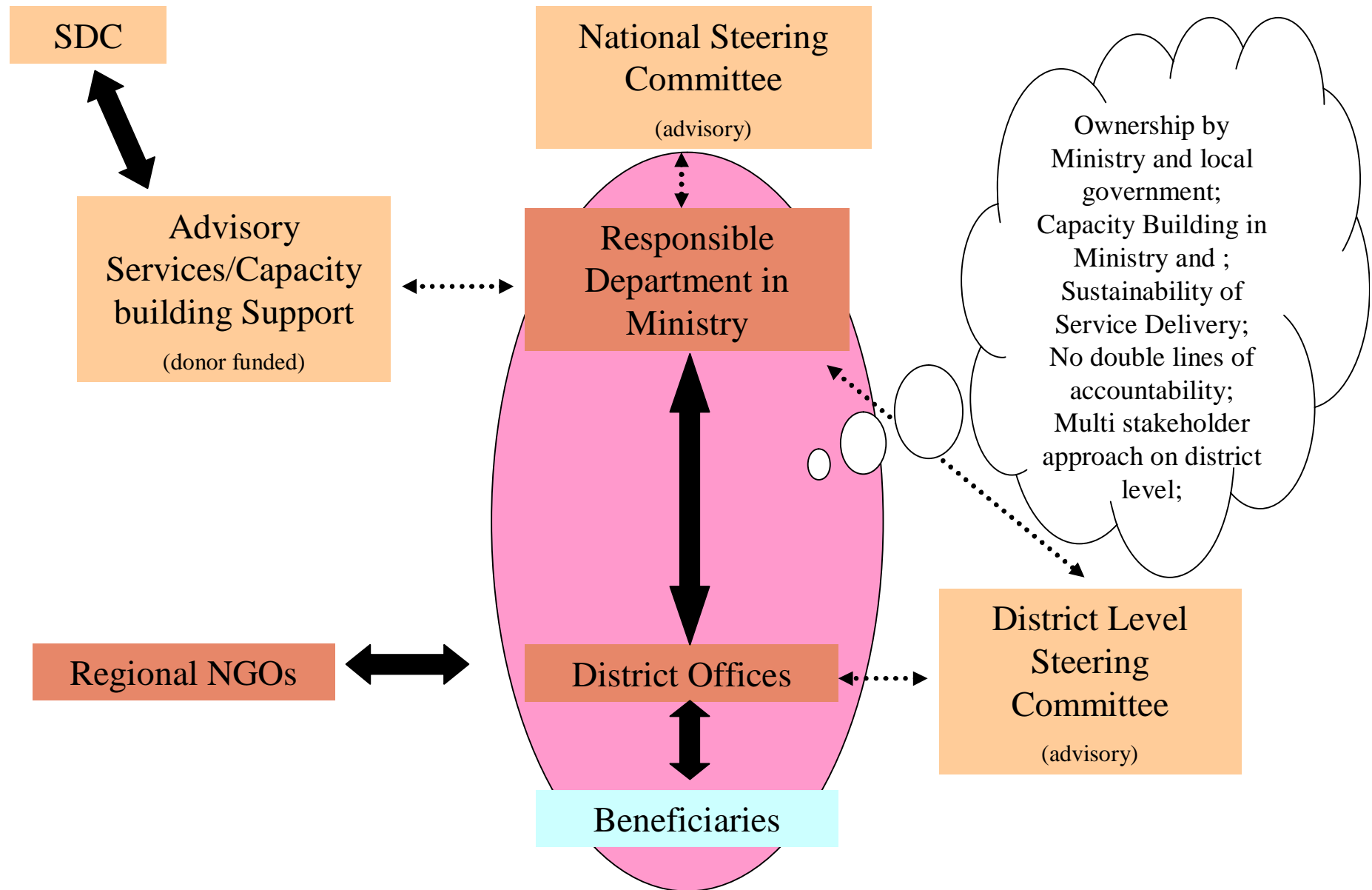
Gute, aber isolierte  
Gesundheits-Inselprojekte ???

Eine Verbesserung des  
nationalen Gesundheits-  
Sektors ???

# Project Implementation Structure with PIU



# Alternative Project Implementation Using Country Systems



# Alignment und **Visibilität**

"Botschafterin Enzler präsentiert die Herausforderungen und Grenzen von Swissness am Beispiel von Albanien, wo die **Verbindung von Swissness/Visibilität und Alignment** sehr gut geraten ist. Swissness steht nicht im Widerspruch zu Harmonisierung und Alignment, wie insbesondere das Beispiel Albanien gezeigt hat. Indem die Schweiz selektiv Führungspositionen übernimmt, kann sie ihr Gewicht in einem Geber harmonisierten Umfeld verstärken, und gleichzeitig Stärken der DEZA - wie z.B. die Prozessmoderation - kapitalisieren, oder mit Ihrer neutrale Rolle Vertrauen in Gouvernanz-Prozesse schaffen. "

(aus dem Regionalseminar in Sarajewo, Sept. 2009)

"Unsere lokalen Partner – die Behörden und Vertreter der Zivilgesellschaft und Wirtschaft - werden in die Gestaltung und Umsetzung der Programme einbezogen."

*(Zitat Broschüre Fortschritte und Herausforderung CH Zusammenarbeit mit Osteuropa und Zentralasien, 2009)*



Wir leisten Beiträge an die Entwicklung eines Landes, die initiiert, geführt und gesteuert werden durch unsere respektiven nationalen Partnerinnen und Partner;

International Cooperation contributes to goals defined by partner countries themselves. The majority of donors put emphasis on strengthening of and working through country partner systems.

*Quote: Introduction Monitoring of Cooperation Strategies and Mid Term Programmes, SDC;*

## Possible Issues for Discussion

- How to build capacities with "country systems" without "colonising" them?
- How to transition from PIUs (e.g. in an early project phase, an emergency or fragile situation) to a "country system" implementation structure?
- Based on our experience, where and why do we succeed in "using country systems", where and why do we encounter the biggest obstacles/concerns?
- What are the interfaces between the "classical" multi stakeholder approach of SDC with the new term of "use of country systems"?



# Key messages/conclusions of the Discussion

- In fragile country contexts, it is useful to analyse/monitor trends in order to calculate the risk of using/not using country systems adequately; structure follows content, also in the choice of implementing structure;
- PIUs can ideally be drivers of change, and – in respective situations – a better choice than a country system for project implementation; every choice of PIU needs to be clearly defined for what purposes and through which mechanisms the PIU is meant to work;
- The role model of the state is to be taken into account when promoting the use of country system; NPM experience capitalisation concluded that the degree of successful outsourcing of responsibilities depends highly on the development level in the country, the service or good to deliver, and the environmental context of the respective governmental entity;
- SDC itself is a governmental country system; we should define and limit our role accordingly; equally, numerous (Swiss) NGOs currently re-think their role, which will have implications on their attitude towards PIUs; Helvetas e.g. plans to strengthen its cooperation with demand side accountability organisation in partner countries;