

Sector Governance – A Catalyst for Impact

Why sector governance?

Governance is a prerequisite for sustainable development in different sectors of development programs. Policies and government guidelines determine the opportunities and limitations of innovative sector programs. Project managers are aware of political dimensions and the need for political support when involved in change management processes. Experts estimate that 70 percent of the work processes in different sectors are governance related. Hence, poor governance can severely limit opportunities for social and economic development. Precautions should therefore be integrated throughout project implementation. Promoting governance in a specific sector can have a wide impact. It is a building block in fostering democratic processes, the rule of law, human rights and gender equality. It is critical for aid effectiveness, since adequate governance conditions are essential prerequisites for ownership and the use of domestic capacities.

The GFA understanding of governance

In our work, we follow the EU-definition of governance: „Governance concerns the state’s ability to serve the citizens. It refers to the rules, processes and behavior by which the interests are articulated, resources are managed, and power is exercised in society. The way public functions are carried out, public resources are managed and public regulatory powers are exercised is the major issue to be addressed in that context”.

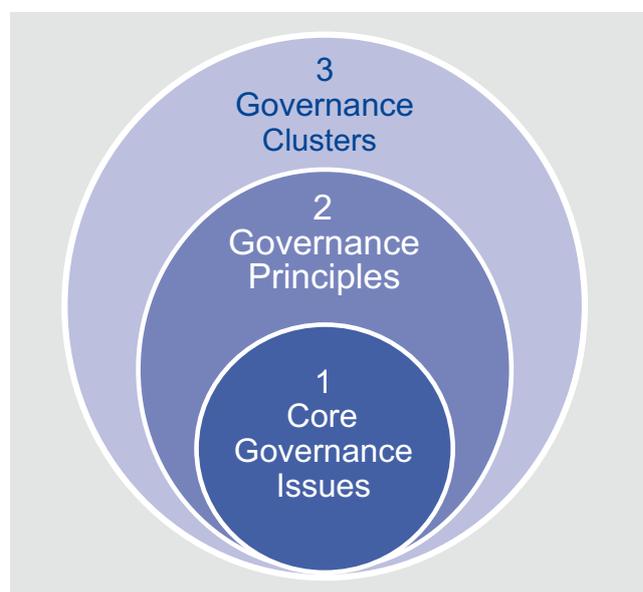
Three dimensions of governance

According to the above mentioned definition, governance relates to three different dimensions:

The core governance issues refer to rules, interests, resources and power. This dimension is targeted at the establishment and implementation of legislation, regulations and corresponding institutions.

Governance principles as the second dimension entail participation, inclusion, transparency and accountability. These principles can be used to direct the design of development programs and establishment of institutions that are legitimate, transparent, accountable, inclusive and fair, and that display their functions and objectives. These principles should be integrated in all development interventions.

Governance clusters as the third dimension highlight the characteristic connotations of governance. These include democratization, promotion and the protection of human rights. Gender equality, reinforcing the rule of law as well



as public administration and local government reforms are core connotations, and so are strengthening civil society and managing public finances.

The GFA approach

We work in all of the mentioned governance clusters in governance specific projects and programs across the globe. But our sector specific projects, too, are part of broader social, political and economic developments that are affected by decisions taken outside the sector. We realized that the overall governance quality and structures of our partner countries have an impact on our interventions and have to be adequately considered. Consequently, we have oriented our governance approach beyond overall governance specific projects. We incorporate the governance principles participation, inclusion, transparency and accountability in the planning, implementation, monitoring and evaluation of our interventions in different sectors.

We approach governance at the macro, meso and micro level and integrate the above mentioned principles as core values into our work. We support government as well as civil society to enhance these principles and to strengthen good governance in our partner countries.

Against this background, GFA has developed and adapted IT-based tools which increase governance principles like transparency and accountability. Such tools range from water billing software tested in Syria to revenue generation tools implemented in the Philippines. GFA considers governance a key issue which concerns all sectors and divisions. Within our institutional structure, Decentralization and Public Sector Management is the business area most

directly related to governance, and cutting across all our divisions. Interested members in this field meet monthly as to increase and share their knowledge. In addition, we call in mandated working groups to operationalize thematic trends. GFA also participates actively in the governance working group of German development assistance.

Our sector governance approach can be well illustrated by means of applications in three different sectors: water & sanitation, health and natural resources management:

Water Governance

Water governance stipulates the efficient, equitable and sustainable use of water resources. It is defined by the political, social, economic as well as administrative systems, which directly or indirectly affect the use, development and management of water resources and the water service delivery at different levels. It implies the formulation of water policies, legislation and regulations. In addition, the establishment of corresponding institutions, and the clarification and coordination of the roles and responsibilities of stakeholders such as government bodies at different levels, civil society and the private sector are a concern.

Water sector reform in Kenya

Only around 70 percent of the urban population in Kenya have access to safe drinking water. Most urban poor depend on informal service providers and pay inflated prices for water of low quality. Only half of the households are connected to a sewerage system. In 2002, the Kenyan government passed a new law and started comprehensive reforms in the water sector. GIZ supports the reform processes through the Water Sector Reform Program. GFA



implements the program component targeting water sector regulation and the development of a national standard for pro-poor service provision. GFA provides advisory services to the Water Service Trust Fund (WSTF).

Together with WSTF we have developed rules and regulations for the support of water supply projects. Furthermore, GFA has successfully introduced the water kiosk concept. We provide assistance in the contracting and supervision of kiosk construction and operation. Our work in Kenya illustrates how the governance principles relate to our daily work in this specific sector.

Participation – Participation is enhanced through the integration of eligible communities in the development of proposals submitted to WSTF, and through the selection of kiosk operators within a community.

Inclusion – The water kiosk approach is targeted at low-income, underserved communities. Pro-poor funding opportunities are integrated into the support mechanism. In addition, we support the empowerment of women since many of the water kiosk operators are female.

Transparency – We strengthen transparency in the internal working processes of WSTF: financial management, application and evaluation procedures. Moreover, the funding of projects is based on an open call for proposals, which is based on transparent and published standards and criteria. We helped communities and service providers comply to these criteria in developing a toolkit. All water kiosks are metered, which allows greater transparency and reliability. Prices are stipulated by the Water Sector Regulatory Board.

Accountability – The WSTF, a multi-donor basket fund, channels the available funds to low-income communities and has set criteria for funded proposals. The supported projects are monitored and evaluated.



Health Governance

A variety of problems that health systems are challenged with relate to governance. These include financial management practices permitting corruption, a lack of accountability due to information gaps, limited capacities of civil society and elected officials, and failures in the process of engaging stakeholders in decision-making and priority setting. Health systems are strongly influenced by the institutional framework within which they operate. Governments should establish the institutional framework and provide policy directions. They should define the terms and conditions and the relationship between central and local governments as well as providers of health services. Also, they should legislate, regulate and protect the public from dangerous practices. The public sector plays a crucial role in the provision of services. Civil society serves a double function as watchdog and health service provider, often engaged in piloting innovative practices. Private sector involvement in the health sector should be based on responsibility and adherence to governance principles.

Safe blood transfusions in Pakistan

The Safe Blood Transfusions Project is implemented by GFA together with Sanquin on behalf of GIZ and KfW. The project aims at better access of the population to safe blood transfusion services and blood products. The four key areas of assistance include advisory services in relation to policy and legislation, quality management, training of health workers and the management of voluntary non-remunerated blood donors.

Participation – The project initiated its work with a conference that brought all relevant stakeholders together. Inputs from working groups will be reflected and integrated through the project's steering committee.

Inclusion – Blood donor management through standardized databases is a key factor for inclusion. Awareness-raising initiatives will enhance the participation of the broader public. At the same time, mechanisms such as voluntary non-remunerated donations are established to protect vulnerable groups from exploitation. Even though the project is supposed to cover the entire population of Pakistan, women with high-risk pregnancies or thalassaemia and trauma patients are considered priority recipients of blood donations.

Transparency – Pakistan has only a small number of experts in this field who are often involved in both the private and the public sector. Hence, the project will develop monitoring mechanisms in order to avoid conflicts of interest and corruption. In addition, collaboration with the media to increase public awareness and transparency are key elements of the program.



Accountability – The project has defined several indicators leading to enhanced accountability. These include a qualitative dimension such as increases in voluntary blood donors and of registered and licensed blood banks. Transparency and accountability are essential parts of the quality management system established by the project.

Governance of Natural Resources

Governance is a core issue for the management of natural resources. A variety of actors compete to gain access and control over as well as benefit from natural resources. Weak governance causes a lack of incentives for the sustainable and fair management of these resources. Over-exploitation of resources and limited benefits for the poor are results of weak governance structures. Good governance in the management of natural resources includes predictable, secure and fair property regimes and normative guidance, as well as effective institutions so that the majority of the population will benefit instead of just a few.

Protection of natural resources in Peru

The Protected Areas program (PAN) in Peru, implemented on behalf of KfW, aimed at a contribution to conserve representative ecosystems and biological diversity.

Participation – Participatory planning processes were facilitated that lead to comprehensive and concerted overall and annual strategies and plans. The development of management skills for protected areas was based on consultative planning processes with community-based organizations. Potential conflicts among various stakeholders were addressed by means of a public relations strategy. Participation and conflict resolution were also part of capacity building of local staff. Farmers were organized in support



committees supported by the World Bank in developing alternative income generating activities in line with more sustainable management rules.

Inclusion – In collaboration with the German Expert Service DED, indigenous communities received targeted support, especially in the field of ecologically and economically sustainable forestry. The exchange of experience between local groups was organized and some actors were also involved in capacity development and strengthening of co-management committees.

Transparency – The participatory elaboration of management plans prepared the ground for the applied protected areas management tools. These were made public in various ways and used for identifying potential conflicts of interest.

Accountability – All protected areas were legally registered. Guidelines on how to integrate the local population in the management of protected areas were developed for regional governments. Information management information systems were established and reports indicate that the funds generated in different communities for specific projects are sizeable and accounted for.

Local planning of natural resources in Nicaragua

GFA, on behalf of GIZ, implements a program component „Strengthening departmental, municipal and indigenous actors and institutions in the development of regional and development plans“. The heart of the matter is a lack of regulations in order to protect land, forest and water resources result in increased poverty of the local population and decreased biodiversity. The program directly supports the poor, rural population and assists the local administration in selected areas of Nicaragua in the sustainable use of natural resources while preserving biodiversity.

Participation – Based on consultative processes with local organizations, regional and development plans have been developed in participatory community processes. A revision and prioritization process took place at the department level with representatives of the communities.

Inclusion – The inclusion of indigenous territories and their population, especially women, has been institutionalized through specific planning methods developed by the program. Thus, 21 percent of decision makers in the territorial governance committees are women. Forestry projects were also targeted directly at women.

Transparency – The coherence between different strategic, management and sector plans has increased due to coordinated, standardized and participatory planning processes. Rules and regulations for the use of land have been institutionalized, including broad monitoring mechanisms for the public. A study revealed illegal land grabbing in one area. Subsequent legal support for the indigenous territories and proximate legal registration of land has led to greater transparency. Criteria regarding reduced lease for area that are sustainably cultivated have been developed and will be standardized in the future.

Accountability – Methodological modules for regional and development planning were developed and will be binding once the Regional Planning Act will be adopted in Parliament. An improved legal framework will also lead to greater accountability. Corresponding capacity building measures are implemented with local communities in order to assist them in holding their administrations accountable.



GFA Consulting Group GmbH
 Anja Desai | anja.desai@gfa-group.de
 Elfriede Maussner | elfriede.maussner@gfa-group.de
 Phone: +49 (40) 603 06 0
www.gfa-group.de