



Tools for Higher Impact Development

The new project and programme cycle management guidance (PPCM)

Project and Programme Cycle Management

- **What**

- Methodological guidance for Delegation & HQ staff
- Merge and replace existing guidelines
- Supported by training programmes
- Backed by online resources
- User focussed, evidence based & tested

- **Why**

- Building excellence into operations
- Better tools for higher impact
- Turning policy aspirations into operational routines

- ***“work smarter not harder”***

New Development Agenda

- Changing political priorities: Agenda for Change
 - Joint programming and closer working with MS
 - Better focus on results
 - Differentiation
 - Concentration
 - inclusive and sustainable growth
- International commitments
 - eg Busan
- New donor approaches
 - Political economy analysis
 - Risk management
 - Results Reporting



Weaknesses of Guidelines

- Court of Auditors
 - Inconsistencies between different sets of guidelines
 - Insufficient analysis of country and sector context
 - Gaps – risk management
- Internal Audit
 - Fragmentation – consolidate in one place
 - Make accessible on Intranet
- Users
 - “We used to have guidelines of 15 pages that were really useful. Now the guidelines are 150 pages, you haven’t time to read them so they sit on the shelf.”

Addressing Weaknesses

Existing Guidelines

- Separate and unrelated
- Long
- Gaps
- Out of date

PPCM Guidance

- Modular
- Short Chapters (<20 pages)
- Comprehensive
- Easy to update

Sustaining strengths

- Support to quality in design
 - More impact
 - Guidelines a comparative advantage
- SPSP model
 - Seven key areas of assessment
- Experience with Macro and PFM tools
- TC reform for capacity development
- Ex-ante peer review
- Monitoring and evaluation

Main changes

- Operationalise Aid Effectiveness
- Mainstream capacity development
- New emphasis on policy dialogue
- Enhance country and sector context assessment
 - Incorporate political economy analysis
- Improve a focus on results
- Introduce risk management



Operationalise Aid Effectiveness

- Ownership
 - Strengthen country systems, CD, and democratic ownership
- Harmonisation
 - Joint programming and division of labour
- Alignment
 - Focus on country's own development strategy
 - Using country systems
- Mutual Accountability
 - Using country systems to report results



New emphasis on policy dialogue

- Need to improve
 - Core business of delegations
 - No previous EU or MS guidelines
 - Staff seeking support and guidance
- Understanding the process and issues:
 - Case studies from EU delegations:
 - Philippines, Tanzania, Cambodia, Burkina Faso
 - Consultative seminars with delegations
- A strategic approach
 - Within EU delegation
 - Joint with Member States

Enhance country & sector context assessment

EuropeAid

- Choice and sequencing of aid modality
- Engaging with partner government's development strategy
- Better targeting
 - Most binding constraint
 - Opportunities for reform
 - Weaknesses in capacity
- Inform/focus policy dialogue
- Better understanding risks



Incorporate political economy analysis

- What is it?
 - *“seeing development through the lens of local actors”*
 - Analysis of incentives, interests and institutions
 - Understand actors – private sector, local authorities &c
 - Identify opportunities for reform
- Learning from research:
 - “Institutions rule” for inclusive growth
 - Find institutional gaps in business environment
- Learning from other donors:
 - DfID (Drivers of Change), Dutch (SGACA), World Bank (Problem Driven Analysis), SIDA (Power Analysis)

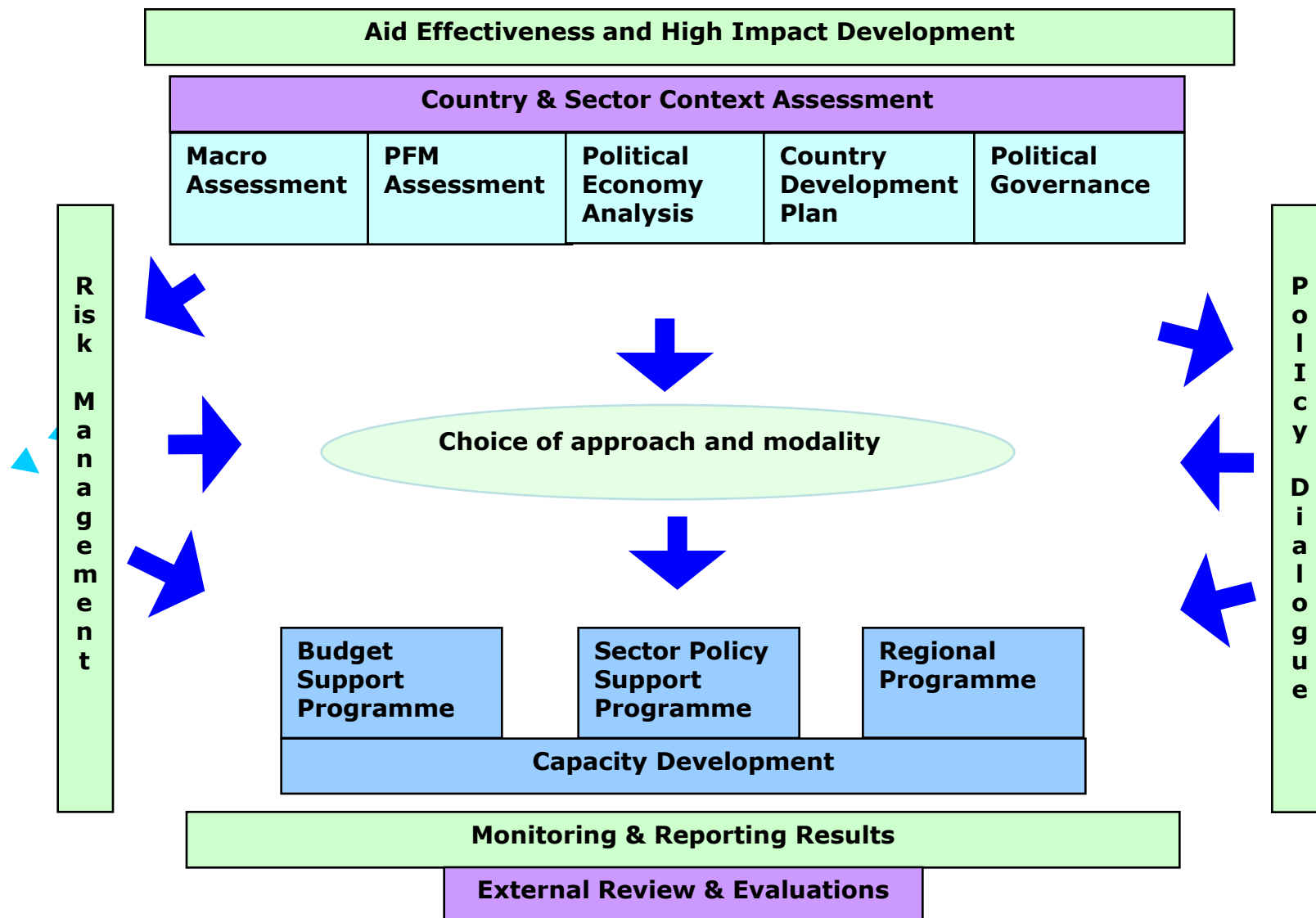
Embedded focus on results

- Build performance measurement into all actions to drive government performance, to monitor implementation and allow accountability
- Strengthening internal monitoring
- Strengthen focus on data quality
- “End user” outcome data
- Support partner government performance systems, incl. national statistical institutes

Introduce risk management

- All aid carries risk
 - Country risk – external shocks
 - Financial risk
 - Development risk
 - Political & reputational risk
- Draws on:
 - Country/ sector assessment, macro analysis, PFM, political economy analysis
- Feeds into:
 - Monitoring,
 - policy dialogue – risk mitigation

Modular approach



Check against reality

- Each Chapter & Annex draws on knowledge & expertise:
 - In delegations & HQ
 - In Member States
 - Academics, OECD etc.
- Each tool tested:
 - Political Economy – Zambia
 - Sector context – Cambodia
 - Monitoring – Rwanda



Progress update

In Draft	
Chapters:	Annexes:
Ch 1 Introduction	Logical Framework
Ch 2 Aid Effectiveness	Policy Dialogue case studies
Ch 3 Cycle of Operations	PFM assessment
Ch 4 Policy Dialogue	Macro assessment
Ch 5 Country Context	Political Economy (sector)
Ch 7 Aid Approach & Modality	Political Economy (country)
Ch 8 Budget Support	CD Toolkit
Ch 10 Capacity development	
Ch11 Quality Criteria	
Ch 13 Monitoring	

Progress update

Commissioned	
Chapters:	Annexes
Ch 6 Risk Management	Public Policies
Ch 9 Sector programme	Performance indicators
Ch 12 Peer Review	Political governance
Ch 14 Review/Evaluation	
Ch 15 Audit	
Ch 16 Results reporting	

Next Steps

- Complete drafts by July 2012
- Consultations continue:
 - Reference group from June 2012
 - Seminar in September 2012
- Continue testing until November 2012
- Design of publication including interactive content Autumn
- Roll out from January 2013

Conclusion

- PPCM will
 - Equip delegation staff to deliver high impact aid
 - Enable staff to adapt to changing roles
 - Drive policy commitments to the operational level
 - Embed new approaches in operational practice
 - Expand the knowledge base for delivery
 - Ultimately realise better development results

