

Chapter 2

Coherent planning and prioritisation

A fundamental principle of development today is that the governments of partner countries should lead and guide planning and prioritisation exercises, rather than the donor country. However, countries in transition face particular challenges that limit government-led planning and prioritisation. This chapter asks how stricter and more realistic prioritisation can be achieved during transition in order to enable countries to move from crisis to peace more effectively. The emphasis is on: i) supporting national transition strategies while allowing governments to take gradual leadership of the prioritisation and planning exercise; ii) keeping objectives and planning processes simple; iii) ensuring a collaborative approach; and iv) creating coherence between international and national planning approaches.

What are the priorities for transition support?

Effective support during transition requires a focus on a limited set of jointly agreed priorities that brings together the need for continued humanitarian efforts with more targeted support to peacebuilding and statebuilding. While the priorities chosen depend on the specific context and national needs and objectives, they should be informed by the global consensus on the factors that enable countries to transition from crisis to peace (Box 2.1). An international agreement on transition objectives is important to allow more targeted attention and financial support to transition from across the international system.

Effective support during transition requires delivering rapid and lifesaving support in parallel with the more targeted efforts towards peacebuilding and statebuilding outlined in Box 2.1. International support via humanitarian, development, political and security channels can broadly be divided into three priority areas (Figure 2.1):

- **Delivering basic services and addressing urgent needs:** These activities would initially be delivered by humanitarian actors and through humanitarian funding channels, but there will be gradual transition towards more sustainable local approaches. Key activities include relief assistance to address acute needs; providing basic social services, both directly and by building the capacity of communities and local authorities to do so; protecting vulnerable populations; facilitating the community's return to normal lives and livelihoods; and building capacities for preparedness and contingency planning to manage future crises.
- **Fostering inclusive political settlements and processes:** These activities would be delivered by political, mediation and development actors, and financed through a combination of ODA and non-ODA resources. Activities involve fostering political dialogue among key domestic actors; concerted efforts to support ongoing political processes and broaden political settlements (e.g. reconciliation efforts, civil society and parliamentary programmes); and more targeted support to strengthen state-society relations.
- **Strengthening state functions:**¹ This covers activities delivered primarily by development and security actors and financed through ODA as well as some non-ODA for peace and security. It involves efforts to strengthen the states' capacity in the areas of security and justice, revenue management, oversight and facilitation of service delivery, and economic recovery and employment.

Box 2.1 International agreements on transition objectives and priorities

Several international processes have helped develop a more thorough understanding of the types of objectives and priorities that are important during transition: i) the *United Nations Millennium Declaration* highlighted the critical importance of peace and security as preconditions for poverty reduction; ii) the UN Secretary-General's report on *Peacebuilding in the Immediate Aftermath of Conflict* identified five core activities (services, economic opportunities, security, livelihoods and governance); iii) the *World Development Report 2011* highlighted the importance of security, justice and jobs; and iv) the OECD *Statebuilding Guidance* (OECD, 2011b) identified the critical importance of strengthening states' capacity to perform core functions in security and justice, revenue management, oversight of service delivery, economic recovery and employment.

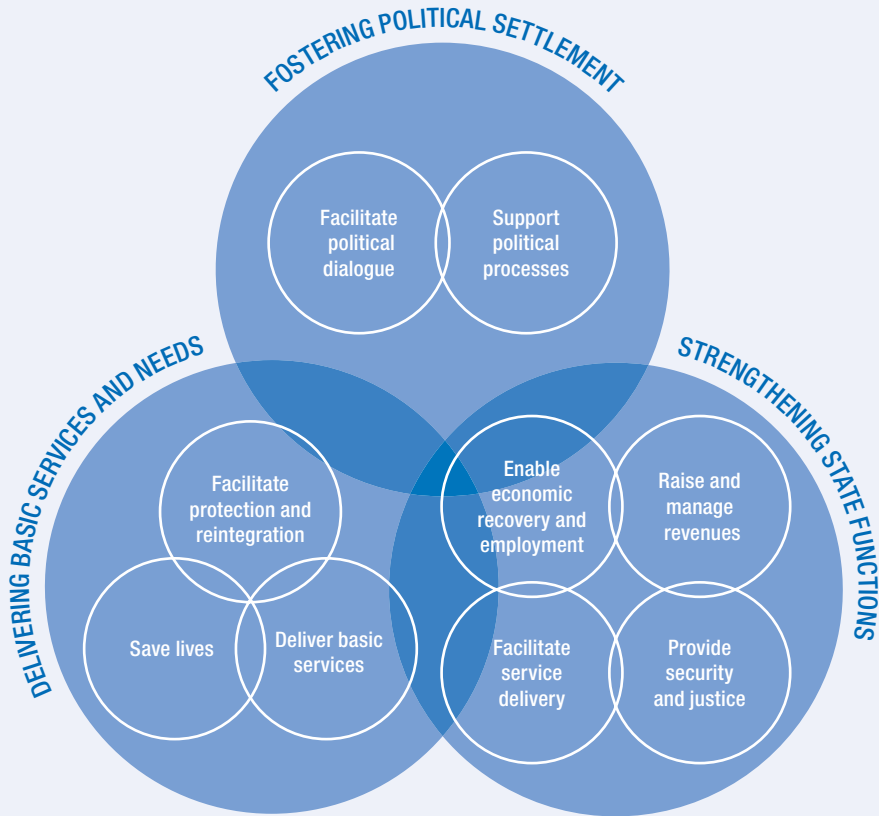
In 2011 this thinking was tied together by the International Dialogue on Peacebuilding and Statebuilding, which agreed on five key peacebuilding and statebuilding goals:

- **Legitimate politics:** Foster inclusive political settlements and conflict resolution
- **Security:** Establish and strengthen people's security
- **Justice:** Address injustices and increase people's access to justice
- **Economic foundations:** Generate employment and improve livelihoods
- **Revenues and fair services:** Manage revenues and build capacity for accountable and fair social service delivery

Sources: OECD (2011b), *Supporting Statebuilding in Situations of Conflict and Fragility, Policy Guidance*, OECD, Paris; OECD (2011f), *Busan Partnership for Effective Development Co-operation*, OECD, Paris; UN (2000), *United Nations Millennium Declaration (A/RES/55/2)*, UN, New York; UN (2009) *Report of the Secretary-General on peacebuilding in the immediate aftermath of conflict (A/63/881-S/2009/304)*, UN, New York; World Bank (2011), *World Development Report 2011: Conflict, Security, and Development*, The World Bank, Washington DC.

These priority areas should not be approached in isolation — there are significant linkages that will require support in parallel from different parts of the aid architecture (World Bank, 2011). For example, support to basic service delivery through humanitarian and development assistance might require peacekeeping or stabilisation efforts to provide the necessary enabling environment to deliver such support. Addressing these linkages will require more coherence in planning frameworks and stricter prioritisation, which is the topic of the remainder of this chapter.

Figure 2.1 **Broad categories of transition priorities**



Source: OECD (2011a), *Managing Risks in Fragile and Transitional Contexts: The price of success?*, OECD, Paris, www.oecd.org/dataoecd/59/40/48634348.pdf.

What is limiting effective planning and clear prioritisation?

A fundamental principle of development today is that the governments of partner countries should lead and guide planning and prioritisation exercises, rather than the donor country. This principle also applies in fragile and conflict-affected states. The assumption is that national governments and other local stakeholders are best placed to identify needs and deliver development to their population. This means that the national budget is the best vehicle to allocate resources and to prioritise and sequence activities based on budgetary constraints and predicted spending levels. However, countries in transition face particular challenges that limit government-led planning. For example:

- A government might lack the will, capacity and legitimacy to plan on behalf of its population, in particular in contexts with fragile political settlements and continued insecurity. Similarly, there might be a lack of consensus on priorities among stakeholders. In these contexts, international actions will be needed to, at a minimum, support broader and more equitable distribution of financial support and access to services, including to neglected regions and population groups.
- International actors might have overlapping foreign policy objectives guiding their engagement in specific contexts. The strategic role of aid is often placed within these wider frames of engagement, which in turn influences how aid is prioritised.
- Many transition contexts are highly aid-dependent. The large volume of external aid compared to domestic resources means that its allocation is likely to be a matter of political significance. International actors need to balance aid distribution through broad-based consultations to ensure that aid does no harm. This is particularly important given the need to protect the neutrality and impartiality of humanitarian aid, which initially might represent a large proportion of total international assistance.
- National budget processes and related systems might not exist or be too weak to serve as tools for prioritisation. Similarly, parliamentary oversight and accountability institutions may be too weak to provide effective control of budget priorities.
- The fast-evolving situation during transition means that priorities may shift quickly. Planning frameworks used in other developing contexts are not necessarily applicable, as they favour longer plan-

ning cycles that may stifle flexibility and prevent more frequent evaluation and reassessment of priorities based on the evolving context.

In response to these challenges, the international community has increased its capacity to engage in transition planning. Over the last decade several strategic planning frameworks, as well as more detailed thematic and sector planning tools and instruments, have been developed as a basis for delivering different types of aid (Box 2.2). Each approach requires different levels of government engagement and ownership, as well consultation with civil society.

However, despite these improvements, such planning frameworks struggle with trade-offs between effective and flexible planning and government ownership. For example:

- In the absence of government capacity to lead the planning process, plans are often “ghost-written” by donor staff and consultants, increasing the risks of embarking on complex approaches driven by international good practice but not grounded in national context and expectations. This has frequently resulted in plans that are unrealistic and unprioritised, and that underestimate implementation challenges and absorptive capacity. The large resource envelopes created for post-disaster/conflict reconstruction and development in places like Haiti and South Sudan demonstrate this effect. For international actors, such approaches amplify risks, not only in terms of failure to deliver results, but also in creating expectations that cannot be met.
- National ownership is further challenged if several overlapping planning frameworks are used in parallel. For example, a Consolidated Appeals Process (CAP, Box 2.2) will often take place in parallel to government-led development planning processes without formalised links or discussions about how to handle possible overlaps between the two. In some contexts (e.g. the Democratic Republic of Congo) several parallel government-led planning processes have been supported, imposing significant transaction costs on national stakeholders and undermining ownership. While in some countries different plans have been aligned and integrated into one core document, as was the case when the Peacebuilding Strategy was integrated into the Poverty Reduction Strategy Paper (PRSP) in Sierra Leone, this remains more the exception than the norm.
- Efforts to clarify the relationship between different planning frameworks have resulted in frequent delays in development funding. The trend has been that PRSPs and Post-Conflict Needs Assessments

Box 2.2 International planning tools and their usefulness during transition

A **Poverty Reduction Strategy Paper (PRSP)** is a tool to support a government's own efforts to develop a National Strategic Development Plan. It normally sets out an overall strategy and more detailed sector plans. The PRSP thus holds the highest degree of government ownership, and is an integral part of international engagement in more stable countries, as well as a key milestone for achieving debt relief. PRSPs (and interim poverty-reduction strategies) have also been attempted in transitional countries, including in the Central African Republic, Guinea and Sierra Leone. These experiences have shown that as PRSPs are geared towards longer-term development investments aimed at delivering the MDGs, additional external efforts are required to highlight and address the specific challenges associated with peacebuilding and statebuilding. Successful PRSPs require a certain degree of institutional capacity, which may prevent them from becoming an effective tool during transition.

A **Post-Conflict Needs Assessment (PCNA)** is used by national and international actors as an entry point for “conceptualising, negotiating and financing a common shared strategy for recovery and development” during transition (UNDG, 2010). It normally provides both an overall strategy and more detailed thematic plans divided into “clusters” of issues. The tool is based on the assumption that the partner government should own the planning process, but recognises that capacity and ownership may be weak. It proposes to address this tension through a collective exercise where the international community comes together with the government to jointly assess needs, which are then prioritised and costed in an accompanying **Transitional Results Matrix (TRM)**. While experiences over the last decade have displayed the shortcomings of needs-based approaches during transition, in particular in terms of translating peacebuilding and statebuilding needs into a prioritised plan,² PCNAs have nonetheless proven successful in certain cases by facilitating prolonged engagement with government actors and thus strengthening their capacity to perform certain core functions.

The **Consolidated Appeals Process (CAP)** presents the funding needs by social service sectors. It allows for humanitarian planning, and as such assumes that planning is based on needs, not political objectives. It takes place independently of government and national planning processes. The CAP was never designed as a transition tool and faces several shortcomings during transition, including the lack of government leadership and engagement, limited co-ordination with development plans, the often unclear process through which priorities are identified, and the lack of an exit or handover strategy and criteria. Nonetheless, the CAP (and the related **Common Humanitarian Action Plan** or CHAP) holds some valuable lessons for how planning processes might look during transition. These include the fact that: i) planning is undertaken on an annual basis and revised mid-year, ▷

Box 2.2 International planning tools (continued)

thus providing the opportunity to frequently reassess priorities; ii) plans are prepared for each sector through a system of clusters and cluster leads (see Chapter 3), while the process is managed and guided by the UN Office for the Co-ordination of Humanitarian Affairs (OCHA), thus providing some continuity and control at both the cluster and management level; and iii) donors are committed to using the CAP as the primary instrument for strategic planning, prioritisation and co-ordination in complex emergencies, thus ensuring a solid link between financing decisions and the jointly agreed priorities.

Different organisations and agencies also have their own strategic planning frameworks. In countries with peace missions, the United Nations uses the Integrated Missions Planning Process to assess the situation strategically, identify options for UN engagement, and develop Integrated Strategic Frameworks to agree on joint UN priorities for peace consolidation. The **United Nations Development Assistance Framework (UNDAF)** is another mechanism for co-ordinating UN development assistance in a country. UNDAFs rely on existing assessments, such as a **Common Country Assessment (CCA)**, for prioritising UN support to national development goals. Similarly, the World Bank uses Country Assistance Strategies to identify priority areas for engagement, while bilateral donors rely on published or internal country strategies and partnership framework agreements to guide funding.

(PCNAs) have focussed on longer timeframes and on the delivery of the MDGs, while the CAP has focussed on short timeframes and delivery of specific needs-based, life-saving and some limited recovery activities. The adverse outcome of this “division of labour” has been frequent delays in the disbursement of development assistance, based on the assumption that such aid would only be needed to meet priorities once these are set out in national development strategies with sufficient national involvement and ownership. In the interim, humanitarian aid has been left, and expected, to deliver initial development activities. The lack of coherence and shared priorities also hampers efforts to ensure that humanitarian programming dovetails with future development work, and efforts to ensure that development programming builds on humanitarian knowledge and results.

- A common challenge to all planning tools is the lack of prioritisation and sequencing of activities. These challenges can be linked to the needs-based approaches that underpin CAPs and PCNAs and the lack of authority in the international system to prioritise cer-

tain activities and mandates over others, which is essential in transition contexts. In addition, PCNAs have tended to become vehicles for broader international engagement and dialogue, with technical experts rather than mediators left in charge of highly political negotiations over priorities.

- Limited links between strategic and operational plans also impose constraints during transition. While some prioritisation might take place at the strategic level, implementation strategies are largely designed through thematic or sector planning processes and defined in the individual strategies prepared by individual agencies. Such plans are rarely cross-checked against the overall strategy, but are presented for funding by different organisations and agencies. This can fragment approaches, complicate co-ordination, and challenge collective prioritisation and harmonisation with government-led exercises.

Recommendations: Helping governments in transition prioritise their development

The experience with different planning tools over the past decade offers lessons for donors that can be used to improve planning and prioritisation (PBSO, 2009; UN and World Bank, 2007a; World Bank, 2011). These are consolidated here under three headings, illustrated by examples from countries in transition. The overall point to remember is that impact will be greatest where priorities and plans are kept clear, realistic and simple:

i) Use national transition strategies as the basis for prioritisation where they exist — if not, find ways to prioritise

- *Keep priorities simple.* The 2011 *World Development Report* shows that the most successful and rapid transitions are those that have focussed on a limited set of strategic objectives at any given time, rather than attempting to address a multitude of priorities in parallel (World Bank, 2011).
- *Ensure national governments lead the strategic process,* even where they might lack the legitimacy to undertake more detailed planning on behalf of entire populations. Weak capacity and legitimacy cannot be an excuse for internationally driven (and written) development strategies. Instead, approaches will need to be adapted to the context, and simplified planning frameworks with shorter timeframes should be combined with a specific focus on capacity and institutional strengthening for planning and budgeting functions.

- *Develop transition strategies collaboratively.* Transition strategies should be based on internationally agreed objectives (Box 2.1) and on the analysis of contextual risks and drivers of conflict. They should be developed in consultation with different stakeholders, including from civil society, to ensure representativeness. Strategies should be used to guide collective prioritisation of different activities, and donors need to be willing to support and finance the basic elements set out in these strategies, however simplified, and even if they do not comply with existing rules and procedures that guide development funding.
- *Use planning processes as critical vehicles for engagement and capacity development.* As shown by PCNA experiences (Box 2.2), the continued opportunity to engage with key government officials and other concerned stakeholders (including civil society) in prolonged planning and discussions about needs can be critical during transition. International actors should focus less on the “paper plan” that is produced through these processes and more on the process itself as a vehicle for broader engagement and capacity development. However, this calls for time- and resource-intensive engagements, and donors should find different ways of providing and aligning development funding to support them.

ii) Prioritise annually to ensure that transition strategies target the most critical areas

- *During transition, annual prioritisation should be the norm.* This allows frequent reassessment of progress and risks, thus preventing strategic failure and keeping the priorities relevant. A contextual risk analysis should be done jointly and revisited as part of annual meetings between national and international stakeholders (see Chapter 1). This will provide donors with the necessary confidence to allow the use of simplified rules and procedures. The example from Timor-Leste (Box 2.3) shows how the National Priorities Process was able to establish broad objectives that served as basis for rapid engagement and annual reassessment of priorities, and to guide more detailed sector planning exercises.
- *Alter international approaches to enable annual/rolling prioritisation from year to year.* The humanitarian model of two-day workshops as the basis for planning could be suitable during transition. Donors will need to allow for early release of development funding based on broadly defined priorities in national transition strategies rather than on fully elaborated development plans and more detailed sector plans.

- Increase the flexibility of funding allocations by increasing contingencies in budgets so that “activities and delivery mechanisms can be adjusted when new risks and opportunities emerge” (World Bank, 2011). A few basic performance benchmarks could also be agreed to facilitate decisions about when to move from transition strategies towards proper development plans.

iii) **Ensure coherence between existing planning frameworks**

- Development, diplomatic, humanitarian and security-related activities must complement and reinforce each other. This requires integrated planning. Sector plans can be developed using existing planning tools but these should be brought together into one core transition strategy (Box 2.4).

Box 2.3 Transition planning in Timor-Leste, 2008-11

In the wake of the 2006 crisis, Timor-Leste’s National Priorities Process (NPP) harmonised ministerial and development partner programming while at the same time providing leadership on priority identification and sequencing. Through this process the government sought to streamline the transition from post-conflict emergency response towards development in a manner and timeframe that allowed it to remain flexible in responding to “post-conflict spot fires”.

Through the NPP the Ministry of Finance initiated partnerships with key development partners to develop an interim planning and priority-setting mechanism. The mechanism encouraged a whole-of-government approach to transition. It involved an annual planning framework set by ministries around identified priorities to which development partners could then align.

In its initial years the process focussed primarily on establishing security, and repatriating internally-displaced people. Once peace had been fully restored, the government chose infrastructure, agricultural and rural development and human resource development as top priorities. As peace and stability continued, public security and safety remained a priority, to which were added justice and good governance infrastructure.

The importance of a whole-of-government approach throughout the process cannot be understated. The co-ordination with all stakeholders including civil society and gender organisations helped to build capacity, allowed for a more collaborative, open and transparent national priority identification process, and fostered better dialogue with the donor community.

See OECD (2010b), *Transition Financing: Building a Better Response*, OECD, Paris; OECD (2011g), 2011 *Report on International Engagement in Fragile States: Democratic Republic of Timor-Leste*, OECD, Paris.

Sector plans should be reviewed annually for continued compliance with overall priorities and with the involvement of all appropriate actors. *Transitional Results Matrices* (TRMs) could be adapted to such shorter timeframes and used to map priorities against proposed sector plans, as a basis for review and funding during annual round-table meetings (UNDG and World Bank, 2005). This will allow for effective prioritisation, ensure consistent co-ordination and help align international action with transition objectives.

- *Support reforms for integrating and aligning strategic and sector planning tools and processes with transition strategies.* This might involve aligning different operational planning cycles with annual/rolling prioritisation and using national programmes that specify how each activity and organisation will deliver specific elements in the transition strategy. Donors should be prepared to adjust multi/bilateral country strategies and the United Nations, World Bank and European Commission should review the Operational Note on Transitional Results Matrices (UNDG and World Bank, 2005) to ensure that these can be used effectively to support annual priority plans.

Box 2.4 **Sierra Leone: Donor alignment with the Agenda for Change**

All major development partners in Sierra Leone have aligned their programmes with the country's main strategic planning instrument, the Second Poverty Reduction Strategy Paper (PRSP-II), also known as the Agenda for Change (2008-12). International support for the Agenda for Change has been a decisive factor in ensuring co-ordinated support and funding for implementation. Development partners combine their initiatives to reduce transaction costs for the government. The Agenda for Change is also well supported by the development partner community through joint strategies. The Joint Vision for Sierra Leone of the UN family, the European Community and UK Department for International Development Joint Assistance Strategy and the World Bank/African Development Bank Joint Assistance Strategy constitute the core elements of development partner support to the Government of Sierra Leone. All other partners also ensure that their projects and programmes are aligned to the Agenda for Change.

Source: OECD (2011c), *2011 Report on International Engagement in Fragile States: Republic of Sierra Leone*, OECD, Paris.

- *Ensure stronger accountability in the development of sector plans.* At the sector level, plans should be developed and revisited through a continuous engagement between different national and international stakeholders. Humanitarian and development engagement already operate in this way, through cluster and sector working groups that advance thinking around specific issues. Such sector working groups should be streamlined during transition, as the primary vehicle for identifying, agreeing, and revisiting priorities on a regular basis. Each sector group should operate based on clearly defined accountability and responsibility structures, building on the positive lessons learned from humanitarian clusters.
- *Clarify how the international community can best support a gradual shift to national planning and government leadership.* The composition of planning groups and specific accountability arrangements must be decided based on the country context and national capacities. To facilitate a smooth transition out of the humanitarian cluster system, in particular in those service delivery sectors that will require rapid national engagement, the Inter-Agency Standing Committee (IASC), in consultation with the UN Development Group, should clarify its position on how this process can be managed, how clusters could more clearly support transition priorities and objectives, and the specific capacities needed to facilitate handover to development actors. The roles and authority of the Resident/Humanitarian Co-ordinator in this regard should also be clarified.
- *Cost the strategy and link it to specific funding sources to avoid fragmentation.* Understanding the resource flows and instruments available reveals what can be realistically achieved within severe budget constraints, thus decreasing the strategic risks of failure to deliver on agreed priorities.

Notes

1. See OECD (2011b) for more detailed description of these functions.
2. In response to this challenge, the United Nations, World Bank and European Commission have committed significant resources to strengthen the PCNA methodology, and in particular to adapt the approach to make the transitional results matrix a useful tool for prioritisation in different transition contexts. While it is too early to say, these investments should hopefully facilitate a more effective translation of needs into a prioritised plan that can be financed by domestic and external resources.



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