

Findings

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Best Practices
Infobrief



Findings reports on ongoing operational, economic and sector work carried out by the World Bank and its member governments in the Africa Region. It is published periodically by the Africa Technical Department on behalf of the Region.

Best Practice In Sector Investment Programs

The Broad Sector Approach to Investment Lending: Sector Investment Programs by Peter Harrold and Associates. World Bank Discussion Paper #302. A practical guide to the development of sector investment programs, with best practices drawn from experiences in Bangladesh, Mozambique, Tanzania, Pakistan, and Zambia.

Objectives: Sector Investment Programs (SIPs) are an integral part of the World Bank's strategy for renewal in Africa. In contrast to standard investment operations, their six key features are:

- SIPs are truly sector-wide in nature, covering all relevant public expenditure and policies.
- They are based on a clearly articulated sector strategy.
- Local stakeholders must be firmly in the driver's seat, not donors.
- All main donors sign on and co-finance the program.
- Implementation arrangements are made common to all donors to the extent possible.
- Long-term technical assistance is minimized.

The objective of the study was therefore to examine the key elements of SIPs, to explain their rationale, and to prepare a practical guide for their preparation. Further, the objective was to assess the likely number of such programs that can be expected to be seen over the next few years, and to serve as a pedagogic tool in disseminating the new approach, both to borrowers and to other donors.

Impact on the ground: The study has generated enormous interest in the SIP

concept.

This has led to:

- Rising numbers of SIPs in the Bank's and other donors' lending programs.
- Genuine, demonstrated government ownership of the SIPs that have been developed to date.
- Endorsement of the approach by key bilaterals, and their adoption of the approach as a key element of their own strategies.
- Rising demand by clients for additional operations of this type.
- Reduction in the 'bureaucracy of aid management' in ongoing programs.
- Apparent (though too early to be definitive) improvement in the pace of sector program implementation.

Lessons learned:

- SIPs offer a real alternative approach that is generating higher impact on the ground.
- Of the six elements, the achievement of common implementation arrangements, which can have the biggest reduction in non-productive use of time, is the hardest to generate.
- The operations are expensive to prepare (especially for the lead donor), but significantly reduce costs over the medium term.
- An early implementation lesson is the need for very careful institutional assessments as part of preparation, especially in an era of growing decentralization.
- SIPs are only possible when there is genuine local commitment to such an approach, and where there exists goodwill among the donor community, especially amongst those actively present in the country.

Key documents on Sector Investment Program:

Bangladesh Fourth Population and Health Project; Rpt. No 9400, 05/20/91.

Mozambique Health Sector Recovery Program Project; Rpt. No 14373, 11/07/95.

Uganda District Health Services and Demobilization Project; Rpt. No 13515, 12/18/94.

Zambia Health Sector Support Project; Rpt. No 13480, 10/14/94.

Bolivia Second Social Investment Fund Project; Rpt. No 11927, 06/01/93.

Pakistan Social Program Project; Rpt. No 12588, 03/08/94.

Ghana Highway Sector Investment Program Project; Rpt. No 14572, 04/19/96.

Tanzania Second Integrated Roads Project; Rpt. No 15125, 04/12/96.

Eliot Berg, How can aid programmes be made more effective?, mimeo, January 1994.

Peter Harrold and Associates, *The Broad Sector Approach to Investment Lending: Sector Investment Programs*, World Bank Discussion Paper #302, August 1995. (NOTE: this paper is available in full under AFR Change Agenda Home Page).

Stephen Denning, *Programme Aid Beyond Structural Adjustment*, mimeo, World Bank, January 1994.

Vishva Bindlish, *A Participative Approach to Preparing Donor Assisted Agriculture Programs in Zambia*, AFTES Working Paper No. 6, November 1994.

World Bank , *Special Program of Assistance for Africa: Launching the Third Phase*, Africa Region, October 1993.

World Bank, *Zambia Agricultural Sector Investment Program: Staff Appraisal Report*, Report No. 13518-ZA, March 1, 1995.

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