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A practical integrated framework for mainstreaming

Introduction

The failure to link policy, planning and budgeting is often the single most important cause of poor development outcomes in developing countries. The Pacific Island Leaders have endorsed two separate frameworks to help address the challenge of national development. The first is through co-ordinated domestic and development partner resources: the second is through national sustainable development strategy (NSDS) and ecosystem-based management (EBM) frameworks. Strengthening of NSDS has been promoted as part of improving national planning and budgetary processes, while EBM has been promoted as part of efforts for resource and environmental conservation. The Leaders have also endorsed the Forum Eight Principles of Good Governance. One of the core principles of this is the use of medium-term expenditure framework (MTEF) for allocation of domestic resources to priority policy areas. Countries have made efforts to implement these, usually independently, a result of which is the continued concern about the countries' abilities systematically to develop and implement development strategies and effectively to use limited domestic resources and development partner support to produce development outcomes.

This chapter argues that to achieve the desired outcomes for sustainable development using limited domestic resources, and those of development partners, Forum Island Countries (FICs) should adopt a systems approach to national development, underpinned by an integration of NSDS, EBM and MTEF. The chapter presents a practical methodology based on such an integrated framework for developing and resourcing prioritised national development strategies. It focuses on the FICs' challenge of mainstreaming, in their development process, key values concerning human rights, democracy, sustainable development and good governance, which have been endorsed in their international and regional commitments. The use of an integration of NSDS, EBM and MTEF in the planning and budgeting processes can also help countries to get in the driver's seat and engage with development partners using their outcome-focused, prioritised and costed NSDS-linked sectoral plans.

This chapter looks at how countries in the Pacific region have addressed the mainstreaming of sustainable development through the use of regional approaches and national sustainable development strategies. The chapter starts by examining the ecosystem-based management framework and how this can be used to guide analysis of interaction between ecological, social, human and economic factors. This is followed by an exploration of the processes involved in formulating national sustainable development strategies. The next two sections look at the framework and methodology for integrating NSDS, EBM, and MTEF.

The experiences of Pacific small states at the regional and country levels in utilising these approaches are then analysed.

Ecosystem-based management framework

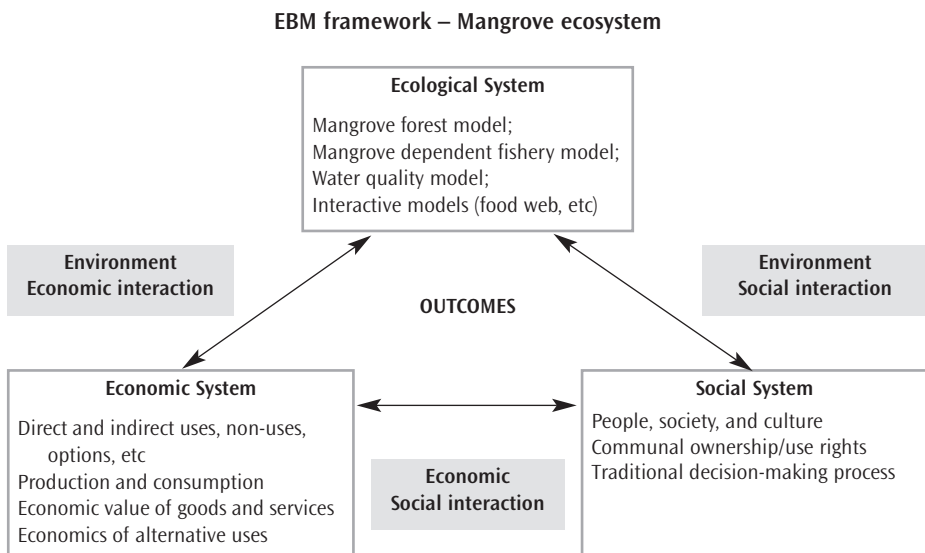
To design appropriate strategies specific to a sector or theme, ideally one would identify technical dimensions of the underlying ecological, economic and social subsystems as well as connectivity between them. Underlying causes of management issues and root causes of a symptom would be teased out, taking into account human behaviour. Figure 4.1 on the mangrove ecosystem illustrates the sectoral and cross-sectoral effects of human activities necessary for a sound technical and scientific understanding of the dynamics of subsystems and interactions between them.

The use of an EBM framework will guide analysis of ecological, social, human and economic interactions, and their effects on management issues, including:

- a Analysis of subsystems and connectivity,
- b Analysis of positive and negative effects of sectoral activities across other sectors, and
- c Analysis of key economic, social, institutional, capacity and other constraints, in achieving specific sectoral objectives and related national development goals.

Information to be collected and analysed under EBM covers economic and social characteristics of a community and the social, economic and environmental interactions. Depending on the theme under consideration, one may need to draw on expertise and analytical understanding based on different disciplines.

Figure 4.1. EBM framework – Dynamics within and between ecological, social and market subsystems



Source: Authors

The ecosystem-based management framework can help understand root causes as well as define appropriate response strategies summarised in strategic action plans. Root causes of a problem may differ from immediate causes of concern. Thus, for example, suppose there is a concern about excessive mangrove harvesting. The problem may not be solved by intervention to reduce the over-harvesting, if the root cause is the unclear customary property rights over the inter-tidal areas and thus customary resource owners are not able to assert their property rights and prevent the mangroves from being harvested from their fishing rights areas.

Taking an EBM approach when addressing thematic concerns and problems, appropriate strategies and related initiatives can then be identified in relation to root causes rather than the symptoms. The programme of initiatives can then be identified for each strategy with prioritised programmes designed to achieve the desired outcomes. These will be brought together in the Action Plan, ensuring these are grounded in the best scientific and traditional knowledge about the dynamics and connectivities within and between the ecological, economic and social systems. This will assist the design process including getting the incentives right. The design of these action plans will be guided by national development goals: the outcome of the NSDS-linked action plans will be determined by the effectiveness of domestic and donor resources.

Where a plan exists, links between the existing national development goals and strategies and sectoral objectives and strategies should be made explicit; this was recently completed for the Education Sector in Tuvalu (Table 4.1).

Outcome-focused management strategies, including policy formulation, and initiatives in a sectoral action plan would then have explicit links to the national development goals

Table 4.1. Education: ‘Strategy’ re-categorised to better reflect expected outcomes/outputs

Objective 5: Strengthen partnerships and develop a culture of working together

Subheading	Activity	Sub-activity
Strengthening partnerships	Public, private and community partnerships	Strengthen strong partnerships and networks with the private sector, NGOs and local communities to undertake stakeholder-based planning and policy development, curriculum development and to support Education for All teaching and learning.
		Strengthen the partnerships with Falekaupule and Kaupule to help achieve quality and cost-effective Education for All goals.
	Regional and international partnerships	Strengthen regional and international partnerships, consistent with the Pacific Plan, to support Tuvalu’s efforts to achieve their quality Education For All goals (technical and financial support) in a co-ordinated and harmonised manner.

articulated in the NSDS. These would then be prioritised, costed and then used in the national budget allocation process. The NSDS-EBM linked, prioritised and costed sector plans would also form the platform for negotiating development partner support to complement their own national development efforts, thus targeting external aid towards their priority issues.

Recent experiences in the region demonstrate that NSDS-EBM-based planning and budgetary processes can help to not only increase the transparent allocation of domestic resources but also to increase aid effectiveness, as has recently been experienced in, for example, Tuvalu and Vanuatu (Box 4.1).

Box 4.1. NSDS-EBM-based planning processes in Tuvalu and Vanuatu

1 Tuvalu – Health and education sector prioritisation and donor co-ordination, Pacific Islands Forum Secretariat (PIFS)

Tuvalu recently took steps to increase the effectiveness of their engagement with donor partners with the support of PIFS. This initiative helped the Department of Education and Health to explicitly link their sector plans and strategies to their Kakeega II (NSDS). The joint PIFS-Tuvalu Health and Education Sector Teams subsequently produced a prioritised list of activities and strategies for urgent attention in the short to medium term (2008–2010).

As a result of this initiative the Tuvalu Government for the first time in three years was able to get a commitment from Australia and New Zealand during 2007 July donor roundtable to support their key education priorities. Australia also provided indicative support for key priorities under the health sector, even though the health sector was not listed as a priority area for Australia's bilateral support to Tuvalu. By developing a prioritised list of activities for the health sector together with the respective justification for the priorities, it was possible for the Tuvalu Government to argue, and the donors to see, the relevance of financial support under their fiscal management category of bilateral support.

At the donor roundtable, Australia and NZ in particular came forward with their support for the priorities identified by the government and asked for concept notes on each of the initiatives, and with an indicative cost (outlining assumptions, etc.). During a follow-up meeting with AusAID and NZAid, the programme of priorities identified for 2008 have all been given in principle support, with at least three initiatives identified as 'early wins'.

2 Vanuatu – DRM Partnership (SOPAC, PIFS, UNDP)

Vanuatu recently produced the Prioritised Action Agenda (PAA – Vanuatu's NSDS), a linked prioritised sector plan for disaster risk management, with the assistance of SOPAC, PIFS, and UNDP. They also developed a supplementary PAA to reflect the DRM goal, and helped produce an indicative medium-term budget for the DRM plan.

This process has helped them to strengthen their inter-departmental decision-making processes regarding cross-cutting disaster risk management and adopt the NSDS decision-making process outlined above. The government has already started using the Cabinet approved PAA-NAP to make some strategic decisions about institutional arrangements for DRM and to allocate their domestic resources for priority initiatives. For example, in June

2007 the government decided to establish a disaster risk reduction and disaster management Project Management Unit (PMU) within the Prime Minister's Office. They also agreed in principle to allocate 24.7 Million VT to meet the cost of the DRM entity pending the review of options paper on the establishment of the Disaster Risk Management entity (DRM entity). These were the highest priority initiatives identified in the NAP.

They are also using the PAA-NAP together with the medium-term costings to engage with donors in a co-ordinated manner. The Government of Vanuatu is now able to engage with donors to also seek financial and technical support for the priority initiatives highlighted for implementation in 2007–2008 in an appropriately sequenced manner.

Source: PIFS paper to PPAC (Pacific Plan Action Committee)

The EBM approach focuses on designing resource and environmental management policies, strategies and institutions based on a sound understanding of the dynamics of ecological, social and economic subsystems, as well as temporal and spatial dimensions of the complex interactions between environment and human activities, environmental sustainability, and adaptability and accountability of management. The guiding principles of the ecosystem-based management approach, promoted by technical agencies and sectoral line ministries, are essentially similar to those under the NSDS processes: partnerships and citizen participation; long-term view; and a comprehensive perspective of supporting economic prosperity, lasting livelihoods, and ecological health and sustainability. EBM also emphasises the science-based approach that accepts humans as an integral part of the ecosystem. Key elements of the ecosystem-based management are essentially similar to those under the NSDS processes (Box 4.2).

Box 4.2. Key elements of Ecosystem-based Management Framework

- **Ecological systems understanding:** Recognising that change and evolution are inherent in ecosystem sustainability, ecosystem management avoids attempts to freeze ecosystems in a particular state of configuration.
- **Humans as ecosystem components:** Ecosystem management values the active role of humans in achieving sustainable management goals.
- **Context and scale:** Ecosystem processes operate over a wide range of spatial and temporal scales, and their behaviour at any given location is greatly affected by surrounding systems. Management has to adjust to these requirements as there is no single appropriate scale or timeframe for management relevant to all ecosystems.
- **Connectedness:** Ecosystem management recognises that biological diversity and structural complexity strengthen ecosystems against disturbance and supply the genetic resources necessary to adapt to long-term change.
- **Adaptability and accountability:** Ecosystem management acknowledges that current knowledge and paradigms of ecosystem functions are provisional, incomplete, and subject to change. Management approaches must be viewed as hypotheses to be tested by research and monitoring programmes.

Source: Ecological Society of America 2005 'Principles of Ecosystem based Management' and 'Overview of Ecosystem Based Management'

National sustainable development strategies

A national sustainable development strategy (NSDS) is defined as, ‘... a participatory and cyclical process of planning and action to achieve economic, ecological and social objectives in a balanced and integrated manner’ (Dalal-Clayton et al., 1994). Further, it is regarded as ‘a co-ordinated set of participatory and continuously improving processes of analysis, debate, capacity-strengthening, planning and investment, which integrates economic, social and environmental objectives of society, seeking trade-offs where this is not possible’. (OECD, 2001.)

Adopting NSDS would mean (adapted from Dalal-Clayton and Bass, 2002:29), countries have, amongst other things, to :

- move away from centralised and controlled decision-making towards a process which is **participatory** and involves all relevant stakeholders in a concerted effort and in a transparent negotiation process;
- move from a focus on outputs (projects, legislation, plan) towards a **focus on systems and outcomes** (impacts) on people, and on the quality of participation and the management process;
- move from sectoral planning towards an **integrated ‘holistic’ planning**;
- move towards a medium-term fiscal framework linked to medium-term sector costing and sector budget submissions; and
- move towards development partner support, complementing national efforts and national resources, towards a high priority programme of initiatives.

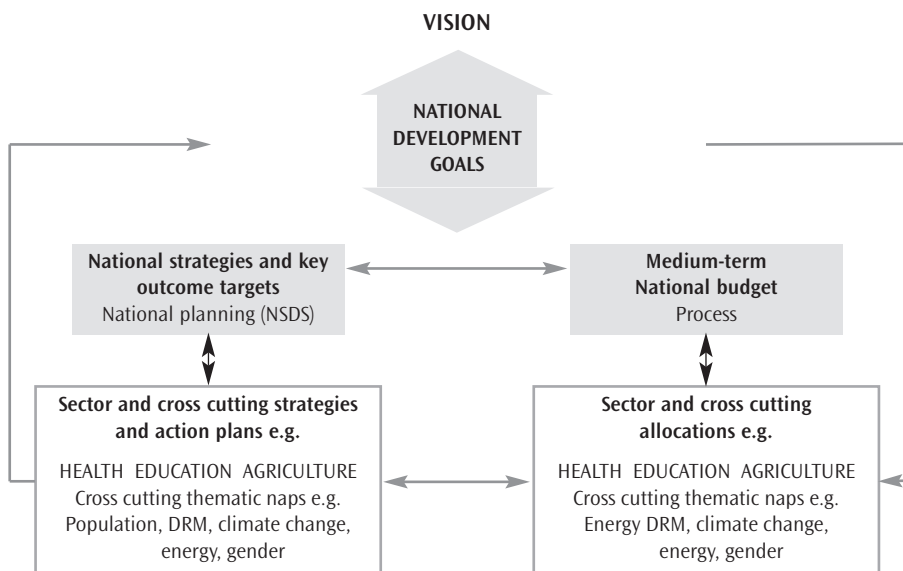
There are essentially three key components of the NSDS framework: first, a stakeholder-based national visioning and the development of a national development plan; second, a national development plan with linked and prioritised sectoral plans; and third the use of national and linked sectoral plans to allocate domestic and development partner resources, within the medium-term fiscal management framework. (Figure 4.2)

The OECD’s Joint Venture on ‘Managing for Development Results’ working definition of development outcomes refer to observable behavioural, institutional and societal changes that take place over the medium term (3 to 10 years), usually as a result of co-ordinated set of investment in the development of individual and organisational capacity of key development stakeholders.

Amongst the critical processes identified to produce an NSDS are:

- political process – strong commitment is obtained from all levels of government, from national bi-partisan political leaders to local level authorities and leaders;
- technical process – NSDS formulation is based on assessment of the economic, social and environmental situation, identifying problems, setting clear priorities and developing investment programmes, and monitoring and evaluation; and
- resource mobilisation – domestic and development partner resources are available for feasible strategies linked to the national development goals (UNDESA, 2002:23).

Figure 4.2. Key components of the NSDS process: visioning; national and sectoral planning and budgeting and resource allocation



NSDS-EBM-MTEF framework-based development

To achieve the desired development outcomes and make effective use of domestic and development partner resources, Pacific Leaders have called for strengthening of NSDS- based planning and resource allocation processes. At the practical level, NSDS strengthening would include adopting a systems approach, mainstreaming key values, custom and sustainable development and good governance principles at all levels of decision-making, national, provincial and local, and the use of linked national and sectoral plans, policies and priorities for the allocation of domestic and development partner resources.

Defining mainstreaming

Mainstreaming in its simplest form can be seen as a process of including or integrating an idea into strategic interventions at national, sectoral, community and individual levels.

At a more practical level, in the context of national development mainstreaming is about integrating core values and principles into national vision and national development goals as well as using them to guide sectoral, thematic, and local level strategies and activities aimed at addressing national development goals.

At the highest level – national development – mainstreaming can be seen as translating peoples’ beliefs and values about things such as democracy, basic human rights, and culture into a national vision; and then translating that vision into a development framework and development plan. The regional vision includes concepts that can be regarded as societal values and some aspects of the Leaders’ Vision are what could be regarded as goals – of peace, harmony, security, freedom, economic prosperity; while others can be seen as guiding

principles – principles of sustainable development, good governance, gender equity, medium-term fiscal management and performance-based budget allocation. Mainstreaming is also about operationalising international commitments, which all emphasise the principles of good governance for sustainable development, including:

- a balanced focus on the elements of sustainable development – economic wellbeing, environmental conservation, social harmony;
- improving the wellbeing of people through a programmatic whole of country approach;
- the use of market-based financial instruments together with a command and control approach including legislation to address environmental problems; and
- adopting a participatory method to improve integrated decision-making processes and environmental governance at all levels.

Mainstreaming values, goals and principles can be achieved using the integrated NSDS-EBM framework. The NSDS-EBM development framework can be divided into three, albeit closely linked, components:

- **Mainstreaming at the national plan level** – Stakeholder-based national development planning process, mainstreaming core fundamental values and principles that societies want to live by to meet their needs and aspirations.
- **Mainstreaming at the sector and cross sector level** – NSDS-linked EBM-based sectoral planning and prioritisation processes, based on the mainstreaming principles of sustainable development, good governance, and incentive-based management.
- **Mainstreaming at the budget level** – Including sustainable development concerns in the budgetary process through medium-term prioritised sectoral budget and links to development partner supported programmes.

Mainstreaming at the national plan level

A nationally owned vision of the type of society people want to live in defines the basic foundation of national development, as well as individual action. A stakeholder-based NSDS process should ideally involve the country producing such a vision. A country's national plan should articulate the national vision and core principles that the stakeholders have agreed to live by. The stakeholders should also collectively mainstream the broad values and principles to define development goals and priorities and broad policies, recognising their natural resource endowments, capacity and social, economic, environmental and political context. This is also where countries reflect considerations of international and regional commitments in their national development plans (Figure 4.3).

Thus, for example, the Cook Islands 2003 national forum arrived at their national vision, which was then translated into 'Living the Cook Islands Vision – a 2020 Challenge' – a 15-year visionary framework that provides guidance for the realisation of the long term hopes and dreams of the people. It incorporated national values and principles that the stakeholders hold dear and articulates the expected strategic outcome of their *Te Kaveinga Nui* journey. These are then translated into eight strategic goals, and their associated specific strategies to achieve those goals (Table 4.2).

Figure 4.3. Mainstreaming and national development framework

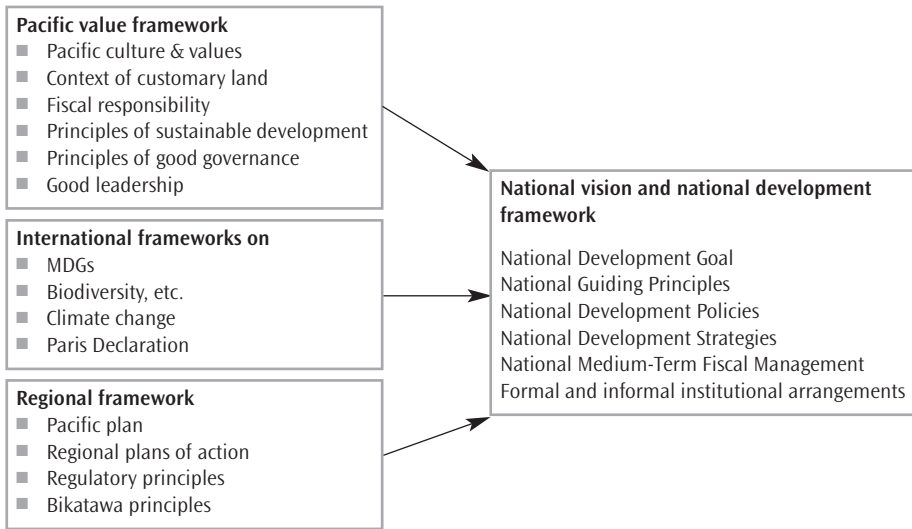


Table 4.2. Long-term development framework and linked national sustainable development plan mainstreaming national values, and desired outcomes – the Cook Islands example

Living the Cook Islands Vision – a 2020 Challenge

To enjoy the highest quality of life consistent with the aspirations of our people, and in harmony with our culture and environment.

Outcomes:

- Well educated, healthy and productive people and resilient communities;
- A secure society built on law and order, and good governance;
- Sustainable economic growth in harmony with our social values, culture and environment;
- Responsible and mature foreign relations with New Zealand and other regional and international communities in the interest of the people of the Cook Islands;
- Enhanced cultural and environmental values.

National Sustainable Development Plan (NSDP) 2007–10

Objective: to build a sustainable future that meets our economic and social needs without compromising prudent economic management, environment integrity, social stability, and our Cook Islands Maori culture, and the needs of future generations.

Strategic Goals:

- Equal opportunities for education, health, and other social services towards maintaining an inclusive and vibrant, resilient and productive society in harmony with our culture;
- A society built on law and order and good governance at all levels;
- Innovative and well-managed private-sector-led economy;
- Sustainable use and management of our environment and natural resources;
- A strong basic infrastructure base to support national development;
- A safe, secure and resilient community;
- A foreign affairs policy that meets the needs and aspiration of the Cook Islands people;
- Strengthened national co-ordination and institutional support systems for development planning, evaluation and monitoring.

Mainstreaming at the sector level

At the sectoral and individual decision-maker level, mainstreaming is about operationalising the national vision, national development goals and guiding principles, as well as putting into practice commitments made in international and regional instruments to achieve desired outcomes. In the sector plans, the links between national development goals and national policies and sectoral plans, strategies and initiatives will be made clear; the cross-sectoral linkages and interactions fully captured; institutional co-ordination of initiatives and actions across sectors will be made clear and the linkage between national priorities, sector priorities and desired outcomes will be made explicit. Essentially, all stakeholders will adopt results-based management centred around the notion of causality and the connectivity between activities and results (outputs, outcomes and impacts) (The World Bank and OECD-DAC, 2006).

To develop outcome-focused plans, stakeholders need a change in their thinking, and a change in approach used to develop strategic policies and plans at the national and sub-national levels. Such changes are required at all levels of planning and decision-making – national, local, provincial, communal, sectoral, programme and project. The decisions themselves would need to be more data and information reliant to ensure that all parties are informed of the current situations, the current pressures, the implications of changes, and the criteria that will guide the outcomes of decisions toward the long-term objectives. Where a sector plan needs to be developed from scratch, this can be done using a NSDS-EBM framework, linking NDG with sector goals and desired outcomes with specific strategies.

National budget process

Countries are gradually moving towards medium-term expenditure frameworks (MTEF) with the help of international financial institutes such as the World Bank, ADB and IMF. The Forum Economic Ministers in 1997 endorsed the Eight Principles of fiscal accountability, including the multi-year expenditure framework. Principles of sound budgeting captured in the budgeting framework and the Forum's Good Governance Principles of national fiscal management include legitimacy, reflecting government's policies and priorities; discipline; predictability; transparency; accountability; and competitive procurement (Forum Economic Ministers, 1997).

Key features of the MTEF include: medium-term fiscal policy; and a medium-term planning framework for strategies and policies such as sectoral policies that take into account the available domestic and development partner resources (Abbott, 2007). The MTEF process involves having developed a systematic forecasting of revenue and debts and available domestic and external resources, and using this to allocate resources to the sector level based on policies and development targets, including MDGs.

FIC governments have gone part-way towards implementing these principles. Where a medium-term budget framework has been adopted, government efforts, with the support of development partners such as ADB and PFTAC, have generally focused on strengthening finance ministries' ability to produce three-year forecasts and projections of government's revenue and annual expenditure, based on previous spending. Greater emphasis has been

placed on macro-level fiscal management and a rolling, three-to-five year fiscal management framework. These have led to some changes in fiscal management and improvements in transparency and accountability in countries such as Samoa, Vanuatu and Tuvalu.

However, in the actual implementation and management, the performance-based budget system falls short of the expected elements of performance budgeting. In almost all countries, the weakest aspect is the link between national and sectoral policies and programmes. Sectoral programme costings are input based rather than outcome based, and sectoral budget submissions are also individual activity based rather than using programme budgets as advocated under the MTEF. This reflects the fact that sector plans are often designed from the perspective of activities and inputs rather than outcomes and key strategies are often not prioritised nor costed. If they are costed, as has been the case with Tuvalu's Education Sector Plan, the costings are input based rather than outcome focused, which then also means that the annual budget submissions remain input based, and only loosely related to sector goals and national development goals.

Furthermore, in the absence of prioritised and programmatic sectoral plans, development partner support has generally been piecemeal and project based, rather than the programmatic longer term funding advocated under the Pacific Aid Effectiveness Principles. The OECD and the World Bank have advocated the use of the 'managing for development results' (MfDR) concept for development assistance. The MfDR concept argues that to make development assistance more effective, there is a need for enhancing country ownership; aligning assistance with country priorities; harmonising development policies and procedures and focusing on development outcomes (World Bank and OECD-DAC, 2006). Despite the presence of aid co-ordinating committees, countries also face difficulties in co-ordinating development partner support to complement national efforts. From the country perspective, aid effectiveness cannot be improved without countries having NSDS-linked sector priorities and a medium-term sector budget linked to their NSDS-linked medium-term national budget and without using these as the platform for engaging with development partners.

NSDS-EBM-MTEF-based development methodology

Expanding on the NSDS-based processes suggested by UNDESA (2002) i.e. political, participatory, technical and resource mobilisation, the following NSDS-EBM-MTEF-based holistic and integrated national and linked sectoral planning and budgeting process is proposed. National development goals and broad sectoral goals and strategies would often be developed simultaneously, followed by a detailed sectoral plan and medium-term sectoral budget. This will be linked to a national medium-term fiscal framework and national budget allocation process.

Context/situation analysis – Understanding the current situation

A critical aspect of mainstreaming is the reliance on coherent and robust evidence-based assessment of current institutional, organisational and policy context, governance and decision-making processes and existing strengths and gaps in the management of cross-sectoral issues and problems. The EBM framework can help inform the national, sectoral and cross-sectoral planning process.

Situation analysis will often be based on the review of published and unpublished information, and discussion with key actors and experts. In undertaking situation analysis, systems thinking, together with ecosystem-based analysis, can assist in confirming key stakeholders, horizontal and vertical ecological, economic and other linkages and interactions, as well as sectors that will be impacted on by specific sectoral activities. Situation analysis is used to identify:

- National development planning and budgetary context, framework and processes;
- Relevant stakeholders, including national and sectoral government agencies, civil societies and private sector involved in:
 - a National planning and budgetary processes,
 - b Sectoral planning and prioritisation & development/management decision-making processes, and
 - c National resource allocation.
- Legislative and other institutional frameworks that guide national, sectoral decisions and activities of stakeholders;
- Identification of key issues and main concerns; and
- Sectoral/thematic development and/or management framework, planning and prioritisation processes, and decision-making processes.

Lead agency and task force identification

It is important to identify at the outset a lead agency that will carry the process through to fruition. The EBM framework can help identify relevant stakeholders at all levels, both government and non-government, as well as private sector. Stakeholder analysis will help identify primary stakeholders who are likely to be directly affected, either positively or negatively, and secondary stakeholders who are individuals or groups of individuals that fund, implement and monitor the implementation of strategies. Primary stakeholders are usually the people whose livelihood will be impacted on, such as members of a community. Secondary stakeholders may include government agencies, donor agencies, NGOs, politicians and local leaders. Out of this group of secondary stakeholders, a clear understanding of the key governmental agents of change can emerge. Such an organisation or persons can then be identified as the lead agency to operationalise the particular mainstreaming concept in the country. Also, the nature of the multi-sectoral task force will also become obvious.

The multi-stakeholder task force would thus ideally include stakeholder representatives who have the relevant knowledge and skills to identify key information sources, contribute towards developing the mainstreaming strategy, and are committed to national development processes.

National development planning process

Stakeholders collectively will identify the national vision and key development goals and reaffirm principles that will guide national development efforts. National, regional and international commitments and guiding principles, including principles of sustainable development, good governance and fiscal management will inform this process. A national forum with specific thematic discussions, followed by a national discussion could be used to canvas different views, as was done in Tuvalu and Cook Islands. This process is often resource intensive and time consuming. In Tuvalu, with a population of about 10,000, the

national forum cost over half a million US dollars. Nonetheless, a stakeholder-based process supported by coherent and robust information will encourage broad ownership of the country's vision and development goals. If the process is not carefully planned, the actual preparation of the NSDS document can be rather challenging. In the Cook Islands, for example, the NSDS document took almost two and a half years to finalise after holding the national forum and collating volumes of material. In the preparation of the NSDS, key targets for each goal would be identified as well as indicators for monitoring and evaluating progress made over time. These would then be packaged together as a medium-term NSDS for a country.

Ideally, these national goals will be translated into sectoral and thematic plans of action, or 'sectoral' plans, prioritised and costed to produce the medium-term sectoral plan and medium-term sectoral budget.

EBM-based sector planning – Issues and root cause analysis

Confirmation of issues and concerns and root causes analysis using EBM framework can be used to understand ecological, social, human and economic interactions, effects, root causes and management issues.

Economic, social and environmental impact assessments can also help understand the root causes of observed sectoral and cross sectoral effects. A process called root cause analysis can help unravel the symptoms, different causes, and root causes of an observed symptom. Interdisciplinary knowledge about ecosystem dynamics, cause and effect linkages, and core human behaviour drawn from economics and psychology and other disciplines, such as sociology and public policy, can help to reach an understanding of **root causes**, and identify key drivers of change. By identifying existing economic, social, institutional, capacity and other constraints in achieving specific sectoral objectives and related national development goals, it will also be possible to identify areas of policy intervention to address these gaps. Several tools are available to assist in this process (see for example, Department for International Development, 2002).

Root cause analysis will help undertake a number of tasks, including to:

- Confirm key priority issues and concerns related to the thematic area;
- Analyse subsystems and connectivity relevant to the specific theme;
- Analyse (vertical and horizontal) linkages and the impact of activities across and between sectors and the root causes of the effects; and
- Analyse the impact of sectoral activities on national development goals.

EBM-based sector planning – Solution analysis (*policy, institutional & instruments*)

This involves the identification of outcome-focused response strategies, including policies, organisational design, institutions (rules and regulations), as well as other development strategies and activities, and appropriate agents of change.

Once the specific constraints and root causes of each symptom are understood, then management strategy can be identified to address the causes for each symptom or issue. Solutions may be single or multiple depending on the complexity of the issue and the root causes and/or contributing factors. A response may comprise a mixture of policy shift,

institutional co-ordination and the use of regulatory and financial instruments, as well as moral suasion and public awareness.

For each outcome, it is at this stage that key strategies will be identified which, when successfully implemented, can produce the desired outcome. For each desired outcome, a programme of initiatives, appropriately sequenced, may be identified for each management strategy, which when successfully implemented can together produce the desired outcome. This step will thus help identify outcome-focused programmes of development and management initiatives that may be directed at a specific sector and/or may involve cross-sectoral initiatives, the organisational co-ordination of policies, and strategies.

This process would be repeated for each of the key symptoms of concern, identifying causes, and ultimately root causes of an observed symptom. For each root cause, an appropriate response – policy or action initiative – that can help address the root causes is identified. These symptoms and concerns are used to define desired key outcomes, and programmes of strategies, actions and initiatives are clearly identified.

Consolidation of the sectoral action plan linked to NSDS – log frame

Each of the problems, response strategies and programme of initiatives against each strategy and goal would then be consolidated to develop a sectoral action plan, linked to the NSDS and national development goal. It will outline sectoral objectives, specific response strategy (ies) against each objective and a programme of initiatives against each strategy. These are consolidated into a sectoral action plan, together with specific outcome indicators.

Prioritisation of the sector plan

The next step will be to prioritise expected outcomes identified in the sectoral action plan. Two sets of criteria could be used in this process – expected benefits associated with specific outcomes, and the feasibility of achieving the outcome given institutional and human capacity in the country. Expected net benefits could also be considered in terms of expected cost savings that a society can expect if the particular outcome is achieved. Scoring can be used to facilitate this prioritisation process, with the outcomes with higher benefits ranked higher than those whose benefits are lower. Similarly, feasibility assessment by the task force members could be used to rank the likelihood of the anticipated benefits being achieved, with once again a higher score given to that benefit with a higher feasibility factor. These scores could then be plotted to select outcomes according to the dual criteria. This ranking can later be tempered by further analysis of usually foundational initiatives that can increase either the expected benefit or feasibility of other outcomes. A set of priority outcomes can be identified as high (of immediate relevance), medium (of relevance in the short term), and low (desirable in the longer term). Depending on the time frame adopted, the strategic plan could target only the high-medium priority outcomes.

For these high and medium priorities, respective strategies within each of the priority outcomes can then be sequenced according to the key steps involved in producing the outcome. In most cases, a strategy has to be conducted first to set the motion for others to follow, that is, one cannot take place without the initial strategy being implemented. This consideration forms an essential part of the sequential process and care has to be taken to consider this aspect of sequencing strategies over a three year period.

Consolidation of NSDS and linked prioritised sector plan

If a stakeholder-based NSDS process is used simultaneously to develop national development plans as well as sector plans, then the end product will be a NSDS-based national development plan and a prioritised and costed outcome-focused sector plan, plus the medium-term sector costing. As a minimum, if a country already has a national development plan, NSDS, or equivalent, one of the products of the mainstreaming exercise will be an NSDS-linked prioritised sector plans, detailing sector goals and a prioritised outcome-focused programme of initiatives, with clear M&E indicators and timelines.

Medium-term sector budget linked to MTEF

For the selected high priority outcomes and respective strategies, the next step is to identify resource needs and their respective quantities and unit costs. These estimates could be based on past experiences and/or projected costs of similar activities. When consolidated, this will provide an indicative cost associated with each strategy and each outcome. The medium-term indicative costs of the prioritised sector plan would then be pulled together to form the medium-term sector cost.

The prioritised medium-term sectoral plan and associated medium-term costing could then be used to make annual budget submission as well as engage with development partners for their support to complement national efforts, thus providing a framework for outcome-focused systematic national development effort and aid effectiveness, targeting priority national development needs, national development goals and strategies. The medium-term sector costing will form the basis of the annual submission to the Ministry of Finance.

Several tools are available to support strengthening of different components of the NSDS-based planning and budgetary processes. These include DFIDs *Tools for Development* (Department for International Development 2002); World Bank OECD's *Managing for Development Results* (World Bank and OECD-DAC, 2006), UNDESA's **Guidance in Preparing National Sustainable Development Strategy** (OECD, 2001; United Nations Division for Sustainable Development, 2002); UN Millennium Project's **A Practical Plan to Achieve the Millennium Development Goals** (United Nations Millennium Project, 2005). The UNDP and UN Millennium Project have also developed several MDG-based costing tools, including those for energy and wastes (United Nations Millennium Project, 2005).

Experiences from Forum Island Countries (FICs)

All FICs have produced some form of national development plan, sustainable development strategy (SDP), national sustainable development plan (NSDP) or equivalent. Since the WSSD, the national plans have been formulated in most countries with the active involvement of stakeholders and getting common support, taking into account key human rights, cultural and religious values. The Pacific Island countries are proud of their natural heritage and their unique 'Pacific Way' lifestyle, where communal living and reciprocal social relationships are integral aspects of their lifestyle.

Although economic development is seen as the primary focus of national development, concerns about human development issues, such as education and health, have also come to the fore, particularly since the promotion of the Millennium Development Goals (MDGs).

The Pacific is also a region that is going through rapid changes in the face of globalisation, and the changing needs and aspirations of the people, including increasing consumerism. They recognise that a dynamic approach to strategic national development is critical if people of the Pacific are to meet their changing needs and aspirations in a rapidly changing globalised environment.

As part of the global community, the Pacific nations have made commitments to put greater emphasis on democracy and basic human rights, including equitable economic development. In response to the changing environment, the Pacific Leaders have recognised the need for national development efforts that recognise not only its traditional systems but also the introduced forces of market economics and the importance of maintaining ecological land governance processes and mechanisms. They have made various commitments at the international fora and signed different international instruments, such as the Convention on Biological Diversity and MDGs, as well as having embraced the guiding principles such as those related to sustainable development, good governance, and fiscal management. The region also recognises that in the light of their own limited financial and other resources, and the reliance on development partner support, Pacific nations need to better co-ordinate development partner assistance and their own national efforts towards high priority development needs. Moving towards national sustainable development is arguably the most difficult challenge decision-makers face at all levels and in all countries (UNDESA, 2002: 22).

Development plans generally continue to be seen as the blueprint to guide national development efforts. Many of the national economic development efforts have also been guided by key global goals, but these would have been addressed on a piecemeal basis. Thus, for example, a Poverty Reduction Strategy Plan was developed in response to the World Bank calling for such plans, and which became one of the guiding documents for national development. It often sat in parallel with the national development plan. More recently, the Millennium Development Goals have also become an integral part of national development efforts, as required under the commitments made during the global MDG and MDG Plus conferences. Thus, governments have responded by providing MDG reports, but these are often treated independently, rather than as part of the reporting on the achievement of their own national development goals.

Furthermore, implementation of strategies addressing national development goals have been largely from individual sectoral perspectives, with minimal recognition of the broader connectivity and influences from, and to, other parts of the environment, economy and/or social wellbeing. The explicit links with national development goals, priorities and policies are often rather tenuous. Thus, for example, attention on climate change is largely driven from an environmental perspective and that, too, from the perspective of the GHG emissions and their global effects. Very few countries have addressed climate change from the perspective of it being a development issue, or as an issue which required significant responses from within and across diverse sectors, such as infrastructure development, agriculture, water, forestry and fisheries (PIFS, 2006). Similarly, renewable energy issues are addressed by the energy sector without necessarily looking at energy security as a devel-

opment issue, of which renewable energy is an integral component which also links in with the climate change mitigation goal (PIFS, 2006).

Table 4.3. Self assessment scoring against key elements of the NSDS process

Common elements of NSDS adopted in the Pacific	Elements not adequately reflected in NSDS in the Pacific
Consensus and long-term vision Country-led and nationally owned People centred	Mainstreaming of the SD principles and processes. NSDS-linked sector plans based on comprehensive and reliable problem analysis and solutions designed to address the root causes of the problems. Prioritisation and cost outcome-focused programmes of initiatives. Targeted with clear budgetary priorities. Incorporate monitoring, learning and improvement. Explicit links to national, provincial, sectoral and local level programmes reflecting agreed government goals and policies.

Source: Adapted from (Government of Nauru, 2006; Nita, 2006; UNDESA, 2006)

In summary, although NSDS-based approaches have been adopted, many countries have not necessarily fully embraced the key dimensions of the NSDS process as a whole, as illustrated by FICs self assessment (see for example, Government of Nauru, 2006; Nita, 2006) (Table 4.3). While the specifics vary between countries, mainstreaming of the SD principles and processes and ensuring these are reflected in institutional structures and decision-making processes has been a recurrent theme in the region (UNDESA, 2006).

Challenges facing the FICS include how to mainstream principles such as those related to sustainable development, good governance and MTEF to produce outcome-focused national and sector plans integrating economic, social and environmental objectives across sectors and generations, and an MTEF-based resource allocation which collectively produces the desired outcomes. This is where the ecosystem-based management framework has a role to play.

Experiences at the country level

At the sectoral level, FICs have been largely guided by their international and regional commitments, with primary concerns about environmental and social goals, in addition to the economic goal. In response to such commitments, some countries have developed their sectoral plans, such as fisheries, agriculture, environment, biodiversity conservation, focusing on key sectoral issues and reflecting key connectivities within that sector. In most countries, sector level planning has had difficulties in operationalising the core commitments made about the balanced three elements of sustainable development and good governance. The links between national development goals and national policies and sectoral plans, strategies and initiatives are often not clear and the sector priorities may not necessarily fully reflect the national priorities and policy commitments. Neither are the cross

sectoral linkages and interactions fully reflected in national development. Institutional coordination of initiatives and actions across sectors is also often weak at best and non-existent in some cases.

Table 4.4. Possible link between Te Kakeega II ‘Policy Objectives’ and Education Strategic Plan ‘Objectives’

Stated Education Strategic Plan ‘Objectives’	<i>Te Kakeega II Stated Education Sector ‘Policy Objectives’</i>
Curriculum and assessment	<ul style="list-style-type: none"> ● Improve overall education standards. ● Install sound, consistent and more appropriate curricula that better target the needs of students and the economy. ● Make maths and science subjects, and technical and vocational training a central part of the school curricula. ● Expand services and facilities for special needs students, including pre-schoolers and the disabled.
Increase student participation	<ul style="list-style-type: none"> ● Provide more classroom materials to improve the teaching and learning environment. ● Make maths and science subjects, and technical and vocational training a central part of the school curricula. ● Create comprehensive Human Resource Development Policy and Institutional Framework.
Improving the quality and efficiency of management	<ul style="list-style-type: none"> ● Improve overall education standards. ● Adequately maintain schools with better and more appropriate facilities.
Human resource development	<ul style="list-style-type: none"> ● Hire more highly trained and motivated primary, secondary, and post-secondary teachers. ● Expand and improve technical and vocational training opportunities. ● Create comprehensive Human Resource Development Policy and Institutional Framework.
Strengthen partnership and develop a culture of working together	<ul style="list-style-type: none"> ● Reflect the acknowledgement by the Tuvalu Government in the <i>Kakeega II</i> of its limited domestic resources and the reliance on regional and international partners’ support, as well as reliance on national public, private and community support.

Source: Adapted from <http://www.paddle.usp.ac.fj/collect/paddle/index/assoc/tuv003.dir/doc.pdf> and <http://www.sprep.org/att/IRC/eCOPIES/Countries/Tuvalu/42.pdf>

There often aren’t clear links between national development goals and national policies and sectoral plans, strategies and initiatives, and the sector priorities may not necessarily

fully reflect the national priorities and policy commitments (see Table 4.4 for Tuvalu's *Kakeega* and Education Sector Plan). There are some signs of countries trying to draw the link, for example Samoa is explicitly adopting the sector wide approach, aligning sector plans and goals with their national development goals.

Forum Island Countries have agreed to strengthening the link between sector plans and national development plans through the commitments made when they endorsed regional strategies and/or regional plans of action including those on disaster risk management, climate change, biodiversity conservation, energy and oceans management. Included in many of these regional sectoral and thematic frameworks of action, policies and plans is the 'mainstreaming' of respective thematic issues into national planning and budgetary processes, and strategies and actions that relate to improved decision-making processes at sectoral and national levels (Table 4.5). For example, Theme 1 of the Pacific Framework for Disaster Risk Reduction and Disaster Management (DRR & DM) deals with strategies related to 'Governance – Organisational, Institutional, Policy and Decision-making Frameworks'. Similarly, the PIFACC Principle 2 deals with 'Governance and decision-making' identifying expected outcomes to include: mainstreaming; public-private sector-community partnerships; other partnerships; and good governance.

Table 4.5. Examples of key NSDS-related strategies and actions common to several Regional Policies, Frameworks for Action, and Action Plans

Examples include:

- mainstreaming of thematic consideration into national planning and budgetary process (e.g. DRM; PIEPP; PIFACC, PIROP);
- mainstreaming of economic, environmental and social considerations in sectoral level decision-making, including the use of market-based instruments to finance environment conservation (DRM; PIEPP, PIFACC; PIROP);
- promoting information-based decision-making processes, including traditional knowledge and robust statistical information (DRM, PIEPP; PIROP, PIFACC);
- developing appropriate national targets and indicators for the thematic area that reflects the three pillars of sustainable development (and in line with MDGs);
- improving governance and the decision-making process to facilitate sustainable development, including administrative and institutional structures to implement and operationalise regional strategies, policies and plans. (Integrated decision-making and consultative mechanisms) (PIROP; PIFACC; DRM);
- reviewing legislation that affects SD at the national level, improving co-ordination between legislative frameworks, and developing guidelines for those who must carry out legislative objectives (PIFACC, PIROP, DRM);
- building institutional and human capacity at all levels to facilitate sustainable development (DRM; PIFACC; Energy, Oceans); and
- co-ordinating and harmonising donor support (DRM, PIFACC, Energy, Oceans).

NB: PIROP – Pacific Islands Regional Oceans Policy; PIFACC – Pacific Islands Framework of Action on Climate Change; PIEP – Pacific Islands Energy Policy, DRR & DM – Disaster Risk Reduction and Disaster Management.

Recent assessments of the implementation of these regional plans of action, as well as sector level activities in countries, suggest that national level implementation has been minimal due to several challenges. These challenges have included: the lack of political commitment to 'walk the talk'; difficulty in linking horizontally between sectors, as well as between the sectors and national development goals. The lack of capacity fully to take into consideration interactions within and between ecological, social and or economic subsystems has also been an issue. This is particularly the case in cross-cutting thematic areas such as climate change and natural disasters, although even in the more traditional sectors, such as education and health, the link between sector goals and national development goals are implicit rather than explicit. In most cases, sectoral plans and strategies reflect considerations of immediate causes and not necessarily the underlying root causes. Rarely, if at all, has systematic prioritisation of strategies and initiatives been attempted. Other key issues raised by the Forum Island Countries include:

- Economic development pursued independent of its impact on the environment;
- Emphasis on economic development, with environmental issues often given a lower priority and thus smaller budgetary allocations;
- Disconnect between national planning and budgetary processes and sectoral or thematic priorities;
- Emphasis on top-down planning and management disconnected with the traditional decision-making processes;
- Emphasis on 'bottom-up' community level project development process but without explicit links to the national decision-making and budgetary processes;
- Piecemeal and sector-based management with little cross-sectoral co-ordination;
- Governance organisations do not reflect ecological connectivity;
- Limited capacity in integrated planning that reflects ecological and economic connectivity, economic planning and cross-sectoral planning;
- Lack of up-to-date legislation, policy, and strategies that reflect ecological connectivity. Lack of robust interdisciplinary information, including traditional knowledge; and
- Limited analytical skills in integrated and interdisciplinary assessment, and decision-making.

Conclusion

The expected outcome of the mainstreaming process is the realisation of the desired national economic, social and environmental goals in the medium term and the achievement of the national vision in the long run, and for the citizens to meet their needs and aspirations. This can be achieved through linking stakeholder-based systematic development and implementation of NSDS-EBM, national and sectoral plans, the medium-term national and sectoral budgets, the annual budget and the partner allocation, based on the medium-term budget framework.

Both the NSDS and EBM framework articulate specific goals and objectives and priority strategies to achieve stated outcomes in a systematic manner. NSDS and sectoral mainstreaming take the current organisational and institutional arrangements as a starting

point to identify alternative decision-making processes that reflect agreed principles such as sustainable development and good governance principles. Both have associated medium-term financial management – NSDS has an associated medium-term fiscal framework, whereas a mainstreamed sectoral plan has a medium-term sector and thematic budget for prioritised strategies.

The difference is that NSDS is geared towards developing strategies that encompass macro-economic and nation-wide issues, whereas sectoral mainstreaming is aimed at providing a programme of initiatives aimed at achieving the sectoral goals, and implementing principles of sustainable development and good governance. Sectoral mainstreaming links sectoral goals and strategies to national development goals articulated in national development plans, NSDS, or the like.

Sectoral programmes of initiatives are implemented using domestic resources, often allocated on an annual basis but within the medium-term fiscal management framework. Domestic resource allocation would ideally be complemented by development partner resources targeting, once again, priority issues, strategies and activities identified in the mainstreamed sectoral plan. Ultimately, the outcomes targeted by linking NSDS and EBM-based sectoral plans are the same. The process of linking them should enhance the outcomes of economic wellbeing, human development and security and environmental sustainability as articulated in the following Pacific Vision.

Strengthening national planning and budgeting processes by adopting an integrated NSDS and EBM framework can help mainstream not only values and cultures to achieve the needs and aspiration of the people, but also implementation of international and regional commitments on key principles. These principles include sustainable development, good governance, and prudent fiscal management, which should ensure transparency and accountability in the decision-making process based on a sound partnership between government and donors, thus improving the effectiveness of national programmes and the use of international aid.

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