


WHY DO YOU NEED A SWAP?

- First question: Do you need one?
 - Only if your own instruments not are strong enough
 - The SWAp is a complementary instrument to your own, only needed during a transition period to support already existing structures
 - Triggered by external funding linked to policy formulation and result conditionalities
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WHAT IS THE MOTIVE TO GO THROUGH THE PROCESS OF INTRODUCING THE SWAP?

- Why should you do it? Much work and frustration
- Because if you need it, it will increase efficiency and effectiveness
- Because if you need it, it will, most importantly, improve chances of sustainable development
- All experience indicates that this is most likely achieved if development work is co-ordinated and aligned to and under Government structures
- Difficult message to the sectors. Incentives not obvious. It is a Government issue

WHAT IS IN IT FOR CONCERNED ACTORS?

- Sustainable development
- Increased accountability
- Consistent policy orientation
- Increased (cost) efficiency
- More money?
 - Contrary to
- Achievements under project support?



THE SWAP IS NOT A PROJECT!

- The SWAp is a tool to enhance (or restore) the Government's ownership of its sector policy. No more project or donor individual priorities
- No more project agendas! There should only be one agenda
- Dialogue with donors financing the sector to take place in a common forum
- Priorities between sectors and within the sector decided by the Government



WHAT IS THE SWAP. DEFINITIONS

- It is NOT a funding mechanism
- It is a planning tool for co-ordination of sector policies, plans and activities integrated as part of the Gov's regular planning procedure
- CRITERIA:
- Sector Wide
- Coherent Policy Framework
- Government ownership and decision-making "power"
- General (broad) donor participation
- Common planning, monitoring, implementation and reporting mechanisms. Works without common funding mechanisms but it is a preference.
- All financial resources at the disposal of the Government

INSTRUMENTS

- Government ownership and decision-making
- The Code of Conduct. Regulates the acceptance of the SWAp AND THE GOVERNMENT'S PROGRAM to all actors and how to behave in this process.
- The Memorandum of Understanding. Regulates roles and regulations of a possible common funding mechanism
- A special institutional set-up for decision-making and implementation of the SWAp
- Institutionalised planning and review occasions

CONSEQUENCES OF THE SWAP (THROUGH THE CoC)

- No more PMU:s/PIU:s!
- No more bilateral funding to the sector without consultation with everyone concerned
- No more bilateral missions without consultation
- No more bilateral TA without consultation
- Common institutional framework
- Common planning, monitoring, implementation, reporting and evaluation procedures and occasions
- There can be no activities or funding to the sector outside the SWAp and the sector plan

A NUMBER OF ACTIVITIES AND DOCUMENTS TO SUPPORT THE SWAP

- A sector policy
- A multiyear sector strategy and plan coherent to national development planning
- A MULTIANNUAL OPERATION PLAN
- An Annual Work Plan
- Multiannual and annual budgets consistent to plans
- A base line study/Op Plan
- A costing analysis/Strategy
- A financing analysis/Op Plan
- A functional analysis
- A funding arrangement and agreement
- All in consistency!

THE SWAP NEEDS TO BE INSTITUTIONALISED!

- A focal point under ministry leadership and management: The Planning Entity of the ministry. Responsible for all planning and implementation of the sector plan. INTEGRATED WITH Finance/Budget.
- A decision-making Working Group with donor representation
- A high-level steering group under political leadership
- An Annual Review where everybody is invited to participate
- A Financial Management Committee. Depending
- Planning and Finance/Budget integrated!

INTEGRATION OF PLANNING TOOLS UNDER THE SWAP

- ONE set of objectives for the sector
- ONE medium term operational plan for the sector(integrated with the budget on different terms)
- ONE review mechanism and common review occasions
- ONE set of result indicators

EXECUTION OF SECTOR PROGRAMME FINANCIAL SUPPORT

- As with Government domestic resources for all on-budget money
- All money available to the sector must submit to the activities of the sector plan irrespective of how money is provided as stipulated in the CoC
- Effective execution (and consumption) of resources pre-supposes a programme based budget



ALL RESOURCES TO FINANCE THE SECTOR PLAN

- The Government's own resources
- Programme support (budget support and sector budget support)
- Project support
- Different kinds of funding mechanisms (Gov Treasury, pooled funding, individual external funding) All to finance the sector plan. Heavily dependent on the status of Government PFM systems.

IN FOR A LONG TIME!

- Engagement in SWAp answers to 5 years. Or 10.
- To be performed through the regular planning and follow-up process of the government if it is meant to be sustainable
- Donors must be prepared to change attitude and regulations
- The SWAp needs support from cross-cutting reform, instruments and institutions. And the structure for this exists in Albania!



SUMMARY. KEY CONCEPTS

- COMMON
 - Working procedures
 - Planning, monitoring, implementation, reporting, follow-up, evaluation
 - Funding mechanisms



KEY CONCEPTS, CONT

○ GOVERNMENT STRUCTURES, SYSTEMS AND PROCEDURES

- Align with
- Submit to
- Strengthen through commonly agreed capacity development programmes as part of the SWAp



KEY CONCEPTS, CONT

○ RESULT AND OUTPUT ORIENTATION

- Low control of input eligibility
- Thorough analyses of capacity
- Well organised implementation and follow-up mechanisms
- Common dialogue on sector plan objectives and result indicators



BEHIVE!

- Could SWAps be introduced in Albania today?
Constraints?
- How should you do it?
- Which are the priorities?

