

## **Achieving impact in new contexts**

**Guide to programme-building in Technical Cooperation**



Deutsche Gesellschaft für  
Technische Zusammenarbeit (GTZ) GmbH

**Corporate Development Unit  
- Policy and Strategy -**

# **Achieving impact in new contexts**

**Guide to programme-building in Technical Cooperation**

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## Foreword

How can the greatest impact be achieved, in what form, and with which instruments of development cooperation? In the light of worldwide changes, this question constantly demands fresh answers. Today, programmes are the concept on everyone's lips. Particularly at the international level, great expectations are attached to them – greater synergy, greater impact, greater coherence, greater ownership.

There has been a shift in the strategic orientation of German development cooperation in the last few years. The keywords are: concentrated and more focused cooperation at country and sectoral level, priority-area setting and programme-building, greater involvement in programmes enjoying international support.

Consolidating German projects in larger programmes is intended to achieve more extensive impacts in a given priority area. Interventions at multiple levels and cooperation with a larger number of partners create greater scope for action. Entrepreneurial flexibility in implementation is enhanced. Seen in this light, programme-building is a central element of GTZ corporate policy.

The present guide shows how the German process of priority-area setting and programme-building integrates into the current international change process. It sheds some light on the diversity of terms in national and international usage. The guidelines on programme-building and on the impact area approach are to help streamline GTZ's service delivery process for advisory and other services within a programme, so improving efficiency and cost-effectiveness.

Many years of experience have shown the GTZ that reorganisation and change processes need time if they are to develop sustainable positive effects. They cannot be implemented overnight. The actors involved have to be "brought on board", and planning and implementation have to be sound and expedient. The present guide is intended to help our staff in this process.

  
Dr. Bernd Eisenblätter



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### 1. Context and goals of the guidelines

The BMZ decision in 2000 to streamline the scope and content of development cooperation and to centre on specific partner countries has concrete implications for the design and implementation of technical cooperation. Agreeing priority areas in cooperation with cooperation countries and formulating priority strategies also result in more concentrated development cooperation commitment. BMZ contracts to the GTZ increasingly cover programmes. In many cases, these involve focusing and bundling the existing portfolio, with contracts for completely new programmes relatively rare.

The programme-building process has advanced to varying degrees in the different cooperation countries. The objectives and contours have been set, past experience analysed<sup>1</sup>. However, there are still no unambiguous guidelines for action from the BMZ, and the responses of the BMZ regional divisions vary. This leads to a situation of relative uncertainty. However, as the programme-building process will continue for several years, the GTZ is issuing guidelines and suggestions on the basis of experience to date – without, however, stifling the process with regulations.

The guide to programme-building is to assist GTZ staff – and specifically those responsible for the programme-building process in technical cooperation – in these reform efforts.

### 2. BMZ policy directives and international trends

Basically, programmes are nothing new. However, until a few years ago they were the exception in German DC. Since the BMZ's strategic reorientation at the end of 2000 towards reducing the number of countries and sectors in which it will operate in future (***Country concentration and establishment of priority areas***), this situation has increasingly changed. The greater orientation towards programmes in German DC is in line with the trend in international development cooperation towards better coordinated support for national programmes. Arising out of the global desire for more effective DC, new coherence, coordination and planning mechanisms are now under discussion.

International efforts to strengthen **programme-based DC** are growing steadily. A programme-based approach is founded on partner responsibility, coordinated donor



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interventions, consistency with national and sectoral strategies and implementation mechanisms<sup>2</sup>. However, there are differences in how donors view the suitability of various forms of funding for such approaches. Some donors argue that basket and budget financing are the most effective instruments. Others (including the BMZ) support retaining diverse financing options, including project financing. Recent international initiatives include, in particular, the **Poverty Reduction Strategies (PRS)**, which arose out of the **HIPC Initiative**. The HIPC-PRS process – which Germany played a key role in initiating – is supported by all major bilateral and multilateral donors. Poverty Reduction Strategies are, in principle, a guideline for all donor interventions. They are, for example, the basis for the World Bank's Country Assistance Strategies (CAS) agreed with partner countries, and have to be reflected in BMZ priority area strategies. Another framework is provided by the Millennium Development Goals (MDGs).

**German development policy** is addressing these international efforts for change. It has adopted the goal of **improving coordination between the instruments** (primarily Technical Cooperation and Financial Cooperation). At the same time, it intends to have more influence on **internationally supported programme-based approaches, strategies and concepts** and help shape these. More information is available in the *Handreichung für die Mitwirkung an gemeinschaftlichen Finanzierungen mit anderen Gebern im Rahmen Programmorientierter EZ (Guide to participation in joint financing with other donors within the scope of programme-based DC)*<sup>3</sup>. German DC is currently participating in such joint financing in 15 cooperation countries<sup>4</sup>.

On the German side, the federal government's **development policy goals**, international agreements, the Programme of Action 2015, and the BMZ country concepts and priority strategies establish a binding framework for structuring the instruments (financial cooperation, technical cooperation and human resources cooperation) and applying these in cooperation activities. It is important in **bilateral TC** to combine existing national programmes with international strategies and instruments wherever this would, a) enhance overall impact

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<sup>1</sup> Unit 04 – Policy and strategy, *Vom Projekt zum Programm – Kurzauswertung von Erfahrungsberichten* (From project to programme – brief analysis of reported experience), May 2003

<sup>2</sup> GDI, Klingebiel, Stephan, "Der internationale Diskussionsstand über Programmorientierung: Schlussfolgerungen über die deutsche EZ" (The status of the international debate on programme orientation: conclusions on German DC), 2003; EC draft Directive

<sup>3</sup> BMZ, *Handreichung für die Mitwirkung an gemeinschaftlichen Finanzierungen mit anderen Gebern im Rahmen programmorientierter EZ (Guide to participation in joint financing with other donors within the scope of programme-based DC)*, November 2001.

<sup>4</sup> BMZ Designstudie zur Evaluierung „Budgetfinanzierungsähnliche Instrumente (design study on evaluating “instruments similar to budget financing”) – draft, July 2003

(based on BMZ criteria), b) fit into the framework of the development strategies of the cooperation countries and, c) be in line with the BMZ priority strategies. Appropriately targeted, a German TC programme approach can significantly enhance opportunities for active participation in the structuring process and boost on-site impacts.

### 3. Definitions and goals

Projects and programmes are the current basis for official German cooperation with cooperation countries. They are integrated, as a matter of principle, into the partner country's development strategy. As usage of the term "programme" currently varies widely at both national and international level, we will begin with some definitions.

#### 3.1 Definition and demarcation

Projects and programmes differ in their scope, complexity and reach. The basic definition and demarcation is given in the current BMZ Guidelines for bilateral financial and technical cooperation with developing countries<sup>5</sup>.

According to the **TC/FC guidelines**, **programmes** generally are characterised by

- **one** common strategic objective and impact orientation
- **a coordinated bundle** of measures, projects and/or programme components with limited duration<sup>6</sup>, and
- greater reach than projects in terms of content and regional coverage.

The **German programme discussion** distinguishes between programmes in German TC/DC and internationally-supported programme-based approaches (PBA). If German projects or programmes participate in implementing such a national development programme with one or more bilateral or multilateral donors, the BMZ uses the term "joint programme".

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<sup>5</sup> (in the latest version in BMZ Konzepte no. 061, Sept. 1999, p. 6) "A number of projects can be bundled together on the basis of shared content, organisational or geographical characteristics. Programmes may include projects which may share the same executing agency and which work in the same sector, sub-sector or region, and which can be put together to make a clearly defined concept. Certain deliveries of materials and equipment, or other inputs in support of sectoral or sub-sectoral objectives, may also be financed as programmes. There is not a sharp distinction between projects, packages of projects and programmes. Sectoral or regional bundling of a number of projects and – with increasing implementation capacity in developing countries – promotion of parts of or entire programmes will in many cases be particularly effective because of the overarching approach." The revised TC/FC guidelines are currently at interdivisional coordination level, and are expected to be completed in 2004.

<sup>6</sup> Programme-building in German DC generally involves bundling existing projects. However, programme-building does not require projects as a starting point.

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- a. **German TC programmes** initially emphasise the stronger interlinking and bundling of GTZ interventions and contributions (links between levels, sectors or regional/local measures). This involves a development-policy and corporate-policy motivated reorganisation of TC in order to enhance its effectiveness and efficiency. Programmes are distinguished primarily by vertical (micro-meso-macro level) and/or horizontal (cross-sectoral) links. A key characteristic is diversification of state and nongovernmental executing agencies.
- b. **German DC programmes** are further distinguished primarily by the integration of the various BMZ instruments – technical cooperation (TC), financial cooperation (FC) and human resources cooperation (HRC). **A link between at least two instruments** with a common strategic objective and plausible indications of synergy effects are essential criteria for DC programme-building.
- c. **Internationally supported programme-based approaches by partner countries** are generally based on the **principle of coordinated bilateral and multilateral assistance** for development programmes which the countries developed and are responsible for (e.g. PRSP, sectoral programmes). Under the broadly accepted CIDA criteria<sup>7</sup>, this gives the partner organisations the leading role in programme steering and financial management. Internationally, the term used is *programme-based approaches (PBA)*. There is a wide range of programme types, from consolidating existing donor activities with parallel financing through pooling funds for sectoral projects (basket funding) to general budget financing. In other words, it constitutes a reorganisation of international development cooperation in the partner country.

### 3.2 Goals of TC programme-building

TC programmes address both development policy and corporate policy goals. The aim is to enhance the **development policy impact** through

- broader design and linking impact areas and interventions,
- greater concentration and coherence in the use of funds,
- better integration into national and international strategies and programmes,
- greater structural leverage at political and societal levels,
- enhanced mainstreaming of cross-cutting themes, and

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<sup>7</sup> Klingebiel, Stephan, "Der internationale Diskussionstand über Programmorientierung", ("The status of the international debate on programme orientation"), 2003

- more flexibility in the use of funds, resources and instruments.

From the **corporate policy perspective**, programmes for enhancing efficiency and cutting costs are to improve reciprocal learning between the original projects and the participating partner organisations and to raise the visibility of German TC.

#### 4. Guidelines for the conceptual design of TC programmes

##### 4.1. Principles of programme design

The following six programme design principles help achieve the targeted development policy and corporate policy goals. The principles primarily relate to merging current TC projects and further developing these to become TC programmes.

- **Principle of common strategic goals**

All programme components should be directed towards a **concretely formulated programme objective**. Orientation towards general development policy principles (such as poverty reduction, environmental protection or democratisation) generally provides a design criterion which is too fuzzy and which can lead to an overly diverse programme which is extremely difficult to manage.

When programmes are formed by merging current projects, the question always arises whether the current project objectives are compatible or can be redirected to a common programme objective, without abandoning project goals agreed with the partners which appear attainable. If not, programme-building processes should not be pushed, and current projects should continue. The reason is that **programme-building is an instrument to enhance efficiency and impact**, not a dogma.

- **Principle of complementarity**

**Programme components should complement each other** in a logical manner. Each individual programme component must be necessary and the total of all the components must be sufficient to achieve the objective. This may also mean that not all projects can be fully brought on board, possibly because it cannot be shown that a specific project or individual measures are needed to achieve the programme objective. Conversely, it may emerge that the future programme needs to be augmented by further measures. The

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possibility of phasing out projects or measures which are not expedient and efficient in terms of the programme must be negotiated with the partner.

- **Principle of optimised instrument mix and economies of scale**

Consolidation of financing means that programmes have more funds available and can apply support and intervention instruments more flexibly, more appropriately to situations and needs, and in most cases more economically (e.g. optimised mix of international and national experts, short-term and long-term experts and financial contributions). This applies specifically to the use of scarce (because expensive) external expertise. By exploiting the advantages of specialisation, experts can be relieved of general managerial and administrative tasks, and this resource used more effectively. Larger organisational units offer potential savings, e.g. on general administrative costs, maintenance of external contacts, handling cross-cutting issues. To ensure that savings are actually made, care must be taken to see that the expense and cost of additional tasks, for example increased coordination inputs, do not outstrip the benefits.

- **Principle of subsidiarity**

In the context of programme-building, the subsidiarity principle means that programme components should take responsibility for those tasks and issues where they have comparative advantages over higher-level programme management. In concrete terms, this also means that the individual components have a high degree of sectoral/content-related autonomy, and perhaps also organisational independence. Important strengths of the former projects are retained and visible in the course of programme-building. Compliance with the subsidiarity principle can help reduce potential personnel conflicts due to a loss of responsibilities elsewhere.

- **Principle of clear division of tasks and responsibilities**

Programme-building requires intensive coordination. To prevent adverse effects on the capability and impact of individual projects as a result of excessive coordination effort, coordination inputs must be effective and efficient. The clear delegation of tasks and responsibilities prevents overlapping, duplication and extra work. The *maxim “design, plan and decide together – implement separately”* helps limit coordination and management effort in implementation.

- **Principle of timely involvement of decision-makers and partners**

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The principle of partner **self-responsibility** is a **key principle** for GTZ's activities. This is why views and thoughts on programme-building must be exchanged with the partners at an early stage. To avoid confusion, friction and additional work, however, it is recommended that a rough general orientation be agreed within GTZ management and the BMZ before integrating partners actively in programme design.

**Conclusion:** *A well-designed TC programme is distinguished by a clear strategic orientation, a clear concept, clear division of labour and a balanced degree of autonomy of programme components during implementation.*

#### 4.2. Programme design – possibilities and criteria

The decision on the most expedient way of bundling current projects is the *central strategic challenge in the programme-building process*. Programmes can be constructed using different criteria – **thematic, sectoral, subsectoral** or **regional**.

In deciding the “*model*” for programme design, focus should be on the intended line of impact and strategic orientation of the country portfolio. Other aspects relevant to the decision are integration in international programmes, complementarity with other donors, and the emphasis on the comparative advantages of German TC and DC.

- **Impact orientation of programme-building**

Some key questions: What impacts are desired? Is the intention to achieve sectoral policy goals more effectively by harmonising interventions of various subsectors? Or is the objective to interlink interventions more closely at micro, meso and macro level? Are we aiming to improve the institutionalisation of reciprocal learning processes and to draw more on experience when shaping policies?

- **Strategic orientation of the country portfolio**

As an example, the decision whether to merge a health project at regional level with health policy advice at national level to form a multilevel sectoral programme, or to merge with other projects in the same region to form a regional multisectoral programme for promoting decentralised government; this affects the strategic orientation and the priority-area setting of the country portfolio.

Such **preliminary decisions** must involve GTZ management (project/programme manager, country director, regional director) and be taken in close consultation with the BMZ. Only

then should planning take on concrete form. Three model **specimen programmes** are provided as illustration in appendix 2.

#### 4.3 From project to programme: impact areas as structure-building elements

How do we integrate the content of current projects into a programme with a common concept, and common goals and impact orientation? Is an integrated programme more than the sum of its parts and more than an envelope for original projects with different profiles which continue to operate undisturbed?

As the projects to be linked generally have different durations, strengths and weaknesses, a process is required which will enable those involved to change their focus.

A suitable approach here is one which structures the future programme on the basis of **impact areas**. It is advisable as a first step to dissect the current projects into individual measures. The measures are then analysed to identify their strengths and weaknesses and their impact relevance for the future programme.

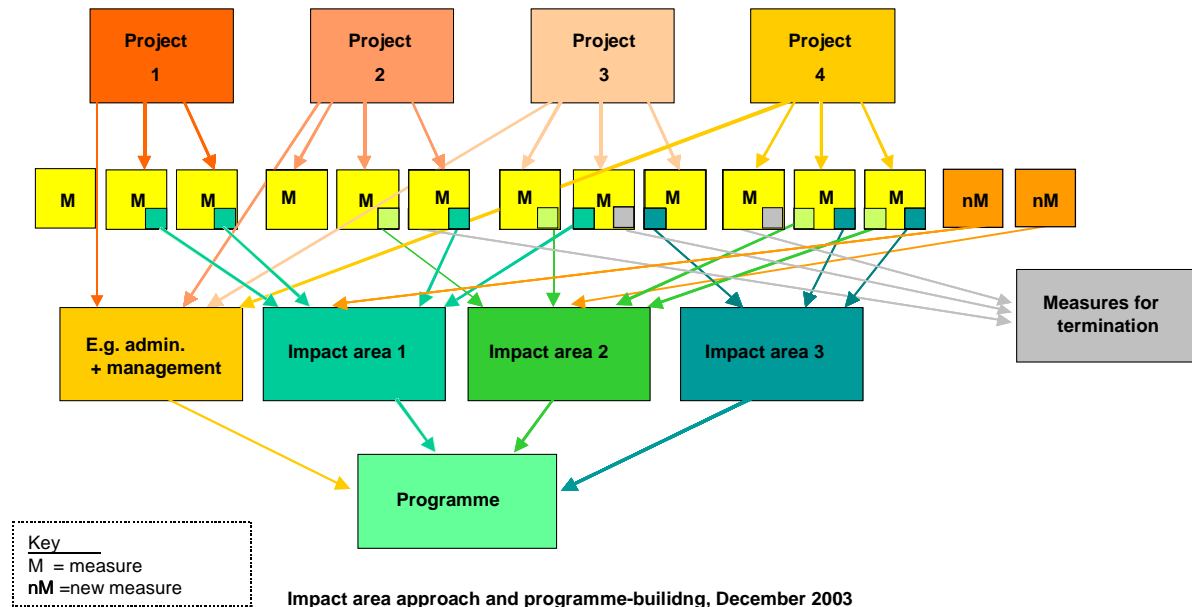
Measures identified as having impact relevance are then allocated to **new impact areas** (e.g. strengthening political participation) in the programme context. These impact areas may need to be developed further in line with the needs and demands of partner countries and existing internationally-financed programme approaches. Where insufficient, competencies must be strengthened and new measures designed. Measures which are not expedient in the sense of the programme should be phased out or terminated, in consultation with the partner and the BMZ.

This approach slowly dissolves the organisational autonomy and individual dynamic of the original projects. Rigidities and vested interests are reduced, programme reorientation is simplified.

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### Impact areas as structure-building elements of programme-building



#### 4.4 Institutional aspects of programme design

Given the complexity of programmes, the particular challenge in programme design concerns their institutional integration, cooperation and networking:

- integration into partner country structures
- networking and cooperation with other interface organisations
- integration into internationally supported national programmes.

Reorganisation processes always involve the organisations themselves, people, status, interests, culture, politics and power issues. These factors and conditions can hamper, delay or even accelerate programme-building. The following comments should be seen in this light.

##### ▪ Integration into partner country structures

Programme-building based on existing projects first involves *reorganising the assistance offered by German DC*. The task here is to make *German DC* more efficient, have greater impact and be more visible. As a result, the initial responsibility lies with the German side. In the first step, a *common German position* (BMZ and GTZ) must be agreed; in other words, we need to do our homework. Once this is done – and not before – the **partner** should be



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gradually involved **in the negotiation process**. The slogan here is *“Take the time you need – but involve the partner as early as possible with maximum transparency”*. This may appear to contradict the principle of partner country self-responsibility. However, experience shows that adopting a different procedure has frequently led to confusion and extra work, with partner institutions unnecessarily being “misused” for tasks in coordinating the German portfolio.

Integrating a programme into partner country structures is **easier**

- in sectoral and regional programmes (here there is generally one programme executing agency responsible for all components),
- if the partner country has itself suggested programme-building, and
- if a completely new programme is created, as the institutional embedding is part of the negotiations with the partner country within the framework of the appraisal.

Institutional integration is **more difficult** in the case of multisectoral and/or multilevel programmes, as these assist a number of national development programmes by different partner organisations. This raises the question of the partners’ responsibility for the overall programme. The programme’s official political partner should be a ministry which plays a recognised leading role in managing interministerial national programmes. Where there are multiple executing agencies, integration into the partner country structure is primarily at programme component level. It is advisable for coordination between partner organisations to proceed largely within the framework of existing coordination mechanisms in the partner country.

#### ▪ **Networking and cooperation with other interface organisations**

DC programmes (the integrated application of TC, FC and HRC) promote the more effective implementation of the BMZ priority strategies. Many of the intended development policy goals and advantages of programmes often only emerge where financial contributions (FC) are accompanied by technical contributions (TC, HRC) for capacity development (and vice versa). DC programmes covering a number of organisations must accordingly be reviewed for expediency. The policy decision on DC programmes always lies with the BMZ. Where common programmes are not possible in the short term, intensified cooperation and coordination with other interface organisations is the means of choice. Such transitional solutions can comprise the stepwise harmonisation of goals and concepts, or coordination agreements, while responsibility for implementation remains separated. Current steps and

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efforts directed towards action that covers a number of organisations are apparent in the work of existing **country teams** in pilot nations, the planned designation of **priority area coordinators** (mid-2004) and the formulation of joint TC/FC offers (anticipated mid-2004).

#### ▪ **Integration into internationally supported national programmes<sup>8</sup>**

The improved meshing with internationally supported programme approaches sought by the BMZ also involves the early appraisal and clarification of potential cooperation arrangements. If cooperation is desired, the corresponding harmonisation mechanisms with the partners and other donors must be designed. At the same time, it is important to ensure that the **complementary strengths of German DC in internationally supported programmes are adequately valorised**. This has a particular impact on the role of TC. Its strengths in the fields of know-how transfer, advisory services, concept and organisational development, programme management, moderation and mediation are often given too little consideration. However, experience has shown that consideration of these aspects is necessary for the success of internationally financed programmes.

#### **4.5 On-site management structure**

The management directive that there should be at most five GTZ management levels (two of which on site) also applies to ongoing programme-building. Departures from this should be limited to justified individual cases, after agreement with GTZ management.

Making management in the GTZ Country Offices responsible for programme management is necessary for reasons of organisational logic and in the interest of a uniform local image for the GTZ. Responsibility for contracts and cooperation is part of programme management. The task and function of programme managers are laid down in the corresponding Personnel Department profile. Besides dealing with management responsibilities, the programme manager will have to support the programme-building process primarily as process manager. In large programmes, striking a balance between coordination, management, and delegation of responsibilities and competencies to staff will not be easy<sup>9</sup>.

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<sup>8</sup> see GTZ guidelines: "Die deutsche Technische Zusammenarbeit in internationalen Programmen" (German TC in international programmes), by H. Asche and K. Lauckner, 2002

<sup>9</sup> A programme-specific human resources concept will be formulated shortly under the leadership of Department 6 (Personnel).

#### 5. The programme-building process – some practical suggestions

Programme-building processes – like any reorganisation – place onerous demands on those responsible for steering in terms of concept-related, communicative management and organisational development. Programme-building is a process which is likely to generate tension. Decisions on conceptual orientation can conflict with personnel policy decisions, resulting in conflicts. This is why it is important to plan the processes well, and to consider a number of issues at the outset:

- **timeframes:** how long will a programme-building process require?
- **participants:** who is responsible for the process? Who should be involved?
- **methods and instruments:** how and through what steps and instruments can a programme-building process be managed constructively and successfully?
  
- **A programme-building process takes time!**

Building programmes on the basis of existing projects is a **process of gradual, stepwise reorientation**. Old tasks and measures which do not fit the future programme concept must be further developed or brought to a useful close together with the partner organisation. Differing contract terms for the original projects must be taken into account, conceptual adaptations discussed and tested.

Taking an overhasty and too forceful approach to programme-building which fails to take these aspects into account can result in projects being linked without a logical common orientation – in short, which simply do not belong together. Care must also be taken to avoid phasing out approaches which have previously made development policy sense simply because they do not fit in a programme concept. To avoid such mistakes, sufficient time should be allowed for programme-building processes. In this phase of programme design

- coordination fora should be established to intensify the pooling of experience,
- the provisional programme goal should be agreed (time to reorient the projects), and
- the partners should be integrated in good time,
  
- a start should be made on concrete programme planning at least one year before submitting the offer,

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#### Participants: who is responsible? Who has to be involved?

Reorganisations generally contain **potential for conflict**. A clear assignment of responsibilities helps reduce this. Written agreements on goals, timeframes, projects involved, intentions regarding integration into international programmes and reporting all support the process. Useless coordination efforts and frustration can be avoided if clear mandates and responsibilities are established right from the start.

To **avoid local conflicts of interest** it is recommended that external consultants should be involved in the programme-building process, either from P+D [responsible priority area, MODeLs], *Change* (Unit 043) or independent appraisers (*“An outsider has greater perspective, a different view, is not blinded by corporate considerations”*)<sup>10</sup>.

The **choice of the actors to be involved on the partner side depends on the type of programme desired**. If a programme can be clearly allocated to an executing agency in the partner country, or if it is actually the result of a partner country enquiry, representatives of the partner organisation should be involved from the start. In the case of multisectoral programmes with a large number of possible partners and a future partner structure which is still unclear, initial clarification should first be made within the GTZ and coordinated with the BMZ.

*Merging individual projects* is always a *learning process for all involved* as well. Experience shows that where this is positive, it stimulates motivation among staff and partner experts, primarily because the national relevance of the programme is enhanced. The programme-building phase must not, however, lead to a situation where those involved are kept away from their project tasks and are mainly busy reorganising their contribution to the programme. Nor should it result in a rapid migration of valued experts who take their knowledge with them because they want to pre-empt the presumed loss of their jobs.

- **Methods and instruments: how, by what steps and with which instruments can a programme-building process be constructively and successfully steered and supported?**

In programme-building, **sensitivity** is particularly important when designing **the process**, i.e. gradually intensifying communication and cooperation and resolving conflicts constructively as they emerge. A number of possible forms of support are available – coordination fora,

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<sup>10</sup> Information on the programme website of the Corporate Development Unit, contact for process and management consulting: MODeLs (P+D) or *CHANGE* (Unit 043)

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intensified pooling of experience through project and theme-related conferences, relocation to shared offices and team building workshops.

Conflicts can be avoided or constructively handled through:

- clear, binding agreements on goals (ideally, documented in writing),
- recognising the strengths and competencies of the original projects,
- participatory formulation of a binding framework with adequate flexibility,
- external consulting and/or neutral moderation.

In the areas of *strategy advice and the development of a new operational and structural organisation and a suitable management structure*, positive results have been obtained using *scenario techniques* with external consultants. In-depth discussions between the consultant and the key participants in advance help identify concerns about loss of jobs, status, power and areas of competence, and thus facilitate implementation.

## 6. Selected planning and management instruments

Programmes, like projects, are possible ways of implementing contracts<sup>11</sup>. In principle, **the same instruments and processes are used in both programme and project management**. This applies to both the consultation with partners and the BMZ as client (“standard procedure”, AURA, agreements and exchanges of notes, implementation agreement etc) and to the instruments of internal GTZ contract and cooperation management (e.g. in decision-making procedures for the submission of offers or in human resource and financial management). There are differences due to the **increased requirements on the steerability of complex programmes**. The GTZ has already responded here to some extent by modifying various instruments. The following sections describe only programme-specific modifications to selected management instruments, and do not serve as a replacement for reading the individual brochures and guides.

### 6.1 Preparation of AURA offers

The new framework for contracts (AURA), which has been binding for all offers since March 2003, changes the format of offers. However, there are no basic differences between projects and programmes when preparing offers in the new contract format. Quality standards relating to offer preparation have been developed jointly with the BMZ, and these

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<sup>11</sup> See also GTZ policy on contract and cooperation management, 2003

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are shown in the *Handreichung zur Bearbeitung von AURA-Angeboten*<sup>12</sup> (*Guide to producing AURA offers*).

In a **programme**, objectives for programme components are formulated **in addition to the overall objective**. While the overall objective applies to the total project term, component objectives apply to the respective ongoing phase. These should also describe the direct benefits. However, they need not always apply to the same development policy impact level as the overall objective. An overall goal is no longer formulated for programmes and projects. Instead, the project is presented in a broader development policy context under various points in the offer.

**Whenever** current projects are merged to form a programme, **the AURA offer must show the reasons favouring programme-building and where the additional development policy value lies in comparison with individual projects.**

#### 6.2. Agreement, exchange of notes and implementation agreement

Government arrangements, in the form of multi-project/programme agreements or exchanges of notes (and in exceptional cases, individual exchanges of notes), form the basis for technical cooperation in international law. Implementation agreements between the responsible project executing agencies in the partner country and the GTZ govern the operationalisation of TC. The contents of the agreements or exchanges of notes and the implementation agreements, and the processes for their formulation and agreement, are described in the O+R section “Agreement/exchange of notes and implementation agreement for TC projects”.

A special feature of programmes is the frequent diversity in executing agency structure. However, also in the case of programmes it is currently assumed that there will be *one* lead executing agency on the partner side, with which the GTZ enters into the **implementation agreement**.

The specimen implementation agreement expressly provides for the inclusion of further implementation organisations, through individual agreements made between the GTZ programme manager and these institutions. In justified individual cases where there are a number of executing agencies on the partner side with equal entitlement, an implementation agreement can be entered into with a number of partners at the same time. For this, a number of partners sign the agreement on a basis of parity.

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<sup>12</sup> BMZ-GTZ Handreichung zur Bearbeitung von AURA-Angeboten (Guidelines on processing AURA offers), September 2003

#### 6.3 Coordination procedure with the BMZ as client ("standard procedure" – F-Verfahren)

In the coordination procedure for new projects/programmes with the BMZ ("standard procedure") and in the administrative procedures between BMZ and GTZ, programmes are treated like projects. This is immediately visible in the *allocation of a programme number by the BMZ* (and for each project, too). In concrete terms, this means that there is **one** programme offer, **one** contract, **one** progress report each year, and **one** settlement of accounts.

For administrative reasons within the BMZ, new programmes which consist primarily of former individual projects are defined in the BMZ and GTZ databases as "supplements" rather than "new projects".

#### 6.4 Financial management

As programmes are treated like projects with regard to their administration, the total costs of a programme (including programme management) are calculated when costing the offer; a cost estimate forms part of the AURA offer.

When merging existing or new TC projects in a programme, the funds committed by the BMZ for the former individual projects can be transferred without restriction to the programme. For GTZ internal steering purposes it is advisable to cost the individual **programme components as a separate service package**. This is also the level where costs and expenditures for the individual programme components would be managed. Financial management is generally guided by the content-related and situational factors. In specific instances, it is accordingly advisable to coordinate closely with Department 5 (Commercial Affairs).

**Settlement of time sheets** between programme components is not advisable, as this increases administrative inputs without any corresponding additional benefit.

#### 6.5 Reporting to the BMZ

The introduction of the new AURA offer format entailed a change in reporting to the BMZ. The new format for progress reports was introduced in April 2004. As applies to the preparation of offers, no fundamental distinction is made here between projects and programmes.

#### 6.6. Cooperation with the consulting industry

The GTZ sees programmes as offering good opportunities for cooperating with consulting firms. While, in principle, the responsibility for **programme management** remains **with the GTZ**, clearly defined programme components can be subcontracted. When opting for GTZ implementation or the outsourcing of programme components, the criteria in the checklist *“Decision-making document on sub-contracting or in-house implementation”* apply. There is a corresponding guide in O+R. GTZ Head Office reserves the right to decide on in-house implementation or sub-contracting.

The **AURA philosophy** also largely applies **to cooperation with consulting firms**. With respect to the technical appraisal of the offer by the GTZ, an agreement reached between GTZ management and the consulting industry foresees increased importance (higher weighting) being attached to impact monitoring approaches and conceptual alternatives. When formulating the contract, it is possible to agree a flexible remuneration item, which can amount to 10 % of the total value of the contract, but may not exceed € 100,000.



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# Operating with impact in new environments

## Guide to programme-building in Technical Cooperation

### Appendix 1

#### Three model TC specimen programmes, with benefits and drawbacks

<b>Specimen programme: bundling along sectoral lines</b>
<b>Focus:</b> bundling complementary measures with a view to achieving sectoral development goals. Sectoral programmes are generally embedded at national level. However, in larger federal states (e.g. India, Brazil), sectoral programmes are also conceivable at meso level (federal states). <b>Example:</b> <i>improved access for poor population groups to agricultural services through coordinated interventions in the fields of research, extension work, credit and marketing</i> <b>Benefit:</b> easier to establish links to (internationally supported) national sectoral programmes. <b>Drawback:</b> the lack of interventions at all levels can result in programme services not matching the needs and capabilities of the target group.

<b>Specimen programme: bundling interventions at different levels</b>
<b>Focus:</b> coordinated interventions at the various governmental and non-governmental levels down to local target group level. This option is widespread in the field of multisectoral programmes, promotion of decentralisation, democratisation and good governance. However, it is also possible within the framework of sectoral programmes. <b>Example:</b> <i>Improved access for the population to appropriate public services through assistance in formulating legislative frameworks and conceptual definitions at national level, capacity development for meso level administration to perform its coordination and support tasks, capacity development for municipal/local administrations in communal management, and capacity development for grassroots organisations by establishing user groups capable of articulation and action.</i> Multilevel programmes are particularly suitable for the practically-based development of national concepts (in the sense of bottom-up coordination) and for integrating local measures into national concepts ("ascending chain" principle). <b>Benefit:</b> reciprocal coordination of policies and interventions at the different levels, good practically-based grounding. <b>Drawback:</b> limited German funds make it impossible to work on a full-coverage basis, limiting work to selected areas. Integration into national programmes may be complicated.

<b>Specimen programme: bundling interventions within a region<sup>13</sup></b>
<b>Focus:</b> in general, multisectoral bundling of complementary measures with a view to achieving regional/communal development goals. This can be oriented towards improving the situation of regional population groups and/or improving decentralised governance. Within the framework of urban and rural development programmes, both aspects and their combination often play an important role. <b>Example:</b> <i>Improved access for the rural population of a region to the provision of public and private services directed at basic needs in prioritised problem areas by organising local communities, institutionalising participatory planning procedures at district level, strengthening coordination and management capability of local governments, supporting selected decentralised sectoral agencies in creating user-friendly systems of services with stronger private sector and cooperative providers.</i> <b>Benefit:</b> oriented in a holistic, participatory, situation-specific and flexible manner to the needs of local target groups and communal/regional governments. <b>Drawback:</b> limited scope for influencing the framework conditions at macro level and the internationally inspired debate.

The specimen programmes can also be combined. However, care is required here, as combinations are often difficult to fit into a logical and feasible concept with a common goal.

<sup>13</sup> "Region" here refers to a component unit of a state (province, federal state, district, community).