



# DEVELOPMENT CO-OPERATION TIPS TOOLS INSIGHTS PRACTICES

## In practice

# PARTNERING FOR LOCAL OWNERSHIP: PROGRAMME-BASED APPROACHES AT THE DISTRICT LEVEL

### Key messages

Iceland's development co-operation employs a programme-based approach (PBA) at local government level. In support of national decentralisation efforts, long-term partnerships with district authorities in partner countries have improved their performance and enhanced service provision for the population, making this a suitable approach for small partners. Continuously strengthening local capacity for results monitoring and financial management is critical.

### Keywords

[Institutional arrangement](#) | [Official development assistance allocations](#) | [Partner countries](#) | [Partnerships](#)

### Key partner

[Iceland](#)

### Challenge

Iceland, as a small partner, aims to optimise the use of its limited financial and human resources while following the principles of effective development co-operation, to achieve positive long-term outcomes in line with national and local priorities. Initially, projects were its main modality, as programme-based approaches would have meant engaging in large national funding pools where Iceland's added value might have been less significant. Decentralisation of competencies and resources in partner countries to subnational governments has created opportunities for a new approach to Iceland's support, strengthening local ownership and capacity while enhancing efficiency.

### Approach

Iceland has adopted a programme-based approach at the district level. Key features include:

- **Alignment with national government efforts:** partnerships respond to demand from the national government and its priorities, as set out in policies, plans and budgets. Iceland concludes trilateral agreements with local authorities as well as line ministries, which provide thematic guidance.
- **Local ownership:** district authorities remain the key implementing agents and the programme closely follows district development plans and operational strategies; activities are “on plan and on budget”.
- **Integration of support across sectors:** the programmes' objectives are comprehensive and integrated, covering education, health, water, sanitation and community development. The aim is to improve social infrastructures, community resilience and livelihoods, with a strong focus on gender equality. Efforts are made to ensure that support reaches poor and vulnerable groups, often in neglected areas.
- **Use of district/public financial management and results systems:** funds are largely disbursed directly to district governments based on their work plans and budgets, and their systems for procurement and financial management. To manage risks, the programme includes capacity building of district authorities, regular financial and progress reporting as a prerequisite for fund release, and internal and external audits.

## Results

Iceland's evaluations show that its local programme-based approach has led to tangible results, making it particularly suitable for smaller development co-operation partners. Iceland is therefore adopting this approach in all partner countries.

- **Iceland's support has become more efficient.** The programme-based approach has facilitated synergies in support across sectors. Programme co-ordination and management concentrated in one district around one programme has become easier for the small team.
- **Supported districts perform significantly better.** Uganda's Kalangala District is now rated among the top 20 best performing districts in education in the country for the Primary Leaving Examination, compared to its rating among the 20 worst performing districts prior to 2010. In Malawi's Mangochi District, the District Health Office was awarded the best performing office in 2020.
- **Service provision in supported districts has significantly improved.** In Uganda's Buikwe District, primary school completion rate is up from 40% in 2011 to 76% in 2020; enrolment has doubled, and the dropout rate for girls has been reduced. Safe water coverage is now at 79%, up from 58% in 2015. Access to improved sanitation facilities in intervention villages has risen from almost 0% to 90% in five years and no cholera cases have been reported in the past three years. Malawi's Mangochi District has seen similar improvements.

## Lessons learnt

- **Decentralisation:** transfer of political powers and resources to subnational government entities in least developed countries makes them suitable partners for district-level approaches.
- **Active dialogue and alignment with national and district stakeholders are essential.** Active participation in technical working groups, partner sector platforms and steering committee meetings are equally recommended.
- **Results monitoring:** strengthening local monitoring and evaluation systems and capacity is paramount to ensure that results-based information can be used for decision-making and learning.
- **Financial management:** weak local financial structures remain a challenge and need to be continuously addressed, notably through long-term capacity development, rigorous controls, and by gradually entrusting local systems with larger financial transfers.
- **Communicating results:** communication with local communities is important for outreach, awareness raising and for overall strengthening of local ownership. PBAs also offer perceptible contributions to highlight concrete results to the public in partner countries.

## Further information

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## OECD resources

Global Partnership for Effective Development Co-operation, <https://www.effectivecooperation.org>.

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OECD (2018), "A programme-based approach for maternal and child health at the district level in Malawi", in *Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264309333-29-en>.

## To learn more about Iceland's development co-operation see:

OECD (2021), "Iceland", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/fd3d1d29-en>.

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