Conceptual Foundation of the TWIN TRACK Approach

Enhancing Governance on Two Tracks
Table of Contents

1. Background and Introduction ...................................................................................................6

2. The TWIN TRACK Approach and Its Benefits ........................................................................7
   2.1. Definition ...........................................................................................................................7
       2.1.1. The Concept of Twin Track (Functional Purpose) ......................................................8
       2.1.2. Implementation (Formal Design) ................................................................................8
           2.1.2.1. Ideal Approach ....................................................................................................9
           2.1.2.2. Integrative Approach ...........................................................................................9
           2.1.2.3. Substitutive Approach .......................................................................................10
           2.1.2.4. Harmonized Approach .....................................................................................10
       2.1.2. Benefits ......................................................................................................................11
           2.2.1. Knowledge Transfer .............................................................................................11
           2.2.2. Donor Cooperation and Complementarily ...............................................................11
           2.2.3. Legal Coherence .....................................................................................................12
           2.2.4. Stronger Focus on Sector Governance .................................................................12
           2.2.5. Learning across Organisations and Levels of Government ..................................13

3. Country Examples ..................................................................................................................14
   3.1. CAMBODIA .....................................................................................................................14
       3.1.1. Regional Economic Development and Public Service Delivery ...............................14
           3.1.1.1. Twin Track .........................................................................................................14
           3.1.1.2. Benefits..............................................................................................................15
           3.1.1.3. Challenges.........................................................................................................15
       3.1.2. Health Sector Reform and “Central” Administrative Reform ....................................16
           3.1.2.1. Twin Track .........................................................................................................16
           3.1.2.2. Benefits..............................................................................................................16
           3.1.2.3. Challenges.........................................................................................................17
       3.1.3. Improving Inter-governmental communication with Administrative Reforms............17
           3.1.3.1. Twin Track .........................................................................................................17
           3.1.3.2. Benefits..............................................................................................................18
           3.1.3.3. Challenges.........................................................................................................18
   3.2. NEPAL ............................................................................................................................19
       3.2.1. Increasing Awareness of the Consequences of Impending Federalisation for the Health Sector ..................................................................................................................19
           3.2.1.1. Twin Track .........................................................................................................19
           3.2.1.2. Benefits..............................................................................................................20
           3.2.1.3. Challenges.........................................................................................................20
3.3. INDIA ............................................................................................................................... 22
  3.3.1. Twin Track ................................................................................................................ 22
  3.3.2. Benefits .................................................................................................................... 23
  3.3.3. Challenges ............................................................................................................... 23
3.4. INDONESIA .................................................................................................................... 24
  3.4.1. Centre for Good Governance ................................................................................... 24
    3.4.1.1. Twin Track ......................................................................................................... 24
    3.4.1.2. Benefits ........................................................................................................... 24
    3.4.1.3. Challenges ....................................................................................................... 26
4. Way Forward ......................................................................................................................... 27
  4.1. Making Twin Track operational ..................................................................................... 27
  4.2. Twin Track as a Governance Indicator ......................................................................... 27
  4.3. The organizational set up of the Work on Twin Track ................................................... 28
  4.4. Involvement of GTZ Headquarters .............................................................................. 29
List of References ...................................................................................................................... 30
**Abbreviations**

ARDP  Administrative Reform and Decentralization Program  
BMZ  Federal Ministry for Economic Cooperation and Development  
CAR  Council for Administrative Reform  
CIM  Centre for International Migration and Development  
CGG  Center for Good Governance  
FSP  The Federalism Support Programme  
GDC  German Development Cooperation  
HRM  Human Resources Management  
HSSP  Health Sector Support Programme  
LGCDP  Local Governance and Community Development Programme  
LSGA  Local Self Governance Act  
MoH  Ministry of Health  
MoHP  Ministry of Health and Population  
MoI  Ministry of Interior  
NAA  National Audit Authority  
P&A  Performance and Accountability  
PASRA  Poverty Alleviation in Selected Rural Areas  
RED  Regional Economic Development  
SNGA  Sector Network Governance Asia  
SOA  Special Operating Agency
1. Background and Introduction

The importance of addressing governance issues in development cooperation is widely acknowledged. In the United Nations’ Millennium Declaration, the international community reached a consensus that good governance is not only an aim in itself but also a key factor in attaining human development and in successful poverty reduction and peace-building¹.

Good governance is one of the priority areas of German Development Cooperation (GDC) and governance topics also play an important role in almost every kind of development intervention; it is therefore becoming a key consideration for sector specialists to ensure that governance is adequately addressed in their sector. Many projects and programmes in other sectors have their own governance component but also those who don’t, face challenges if the governance environment is not conducive to reaching their objectives. Despite the broad consensus on the importance of addressing good governance in development cooperation the question of how to best tackle this challenging and complex task still remains.

In the design of development aid for fragile states the concept of good governance has often been reduced to improving the development of the legal and judicial branch of the government, whereas problems related to public administration and economic management have often been given less attention².

However, in recent years a transparent, effective and accountable public administration has increasingly been recognized as a key success factor of development assistance. The importance of a well functioning administration for achieving the Millennium Development Goals (MDGs) is now widely acknowledged, recognizing that turning public administration towards an efficient, responsive and accountable service provider is one of the prerequisites to implement government strategies to achieve the MDGs. Furthermore, in Least Developed Countries underdeveloped private sectors require the public administration to play a major role in service delivery and provision of economic infrastructure, increasing the importance of public administrative reforms.

Finally, as a functioning public administration is the backbone of government, lacking capacity in the public administration may be cumbersome to other areas of government reforms. As international experience shows, the effectiveness and the benefits of decentralization depends largely on the effectiveness by which services are delivered through deconcentrated agencies: When service delivery functions are decentralized, existing bureaucratic structures must also be reorganized. Thus, for instance the lack of administrative capacity at local levels and the lack of accountability of the administration to the local people pose a major obstacle to decentralization efforts. By strengthening both cross-sector and sector governance the TWIN TRACK approach promotes a functioning administration as an element of good governance and thus has effects even beyond the programmes involved and enhances the effectiveness of development assistance as a whole.

¹ UN Millennium Declaration, A/Res/55/2, 18 September 2000, p.4
This paper aims to introduce this new approach to good governance in development cooperation that focuses on the better integration of interventions in sector governance and governance in core areas.

In the following sections the TWIN TRACK approach and several possible ways of its implementation will be introduced. Subsequently, country examples show how the approach has already been used and demonstrate in more detail the benefits that can be derived from it. Finally, the last chapter explores possibilities to further operationalize the TWIN TRACK approach.

2. The TWIN TRACK Approach and Its Benefits

2.1. Definition

In 2007 the German Development Cooperation in Cambodia launched a new approach, called TWIN TRACK, which stated that governance “interventions” should be carried out in autonomous free standing governance programmes, but governance activities should also form an integral part of all sector projects.3

In 2008, the idea of a better integration of interventions in sector governance and governance in cross sector areas was picked up again by the Federal Ministry for Economic Cooperation and Development (BMZ) and put on record in a general policy-paper, developing the German Government’s profile of development cooperation in Asia. In this paper, the „TWIN TRACK Approach” was defined as follows:

“The connection of independent governance interventions with sector specific (governance) interventions will be systematically identified and where ever possible used.”

This definition introduces the two tracks to support governance: The 1ST TRACK refers to governance interventions focusing on the performance of a state in its core functions. Thus the 1ST TRACK goes beyond sector boundaries and encompasses all development activities that concern the support of reform processes in public administration or the judicial branch. Governance interventions in the 1ST TRACK may be at national, provincial or local level. In terms of formal design, the 1ST TRACK may be constituted by an autonomous programme within a German Development Cooperation governance priority area or cross cutting theme, an independent governance programme within a GDC sector priority area, a Governance Coordinator at the respective country office or by an autonomous governance programme of another donor.

The 2ND TRACK refers to the strengthening of governance in classical sector work (2ND TRACK = Sector Governance), mainly through the application of governance principles (accountability, effectiveness, participation, inclusion) and thus guidance

3 Strategic Framework of the Cambodian-German Development Cooperation for cross-sectional assignment "Democracy, Civil Society and Public Administration" - Good Governance, July 2007, sec. 4.2.

4 Editor’s Note.
5 „Die Verbindung von eigenständigen Governance Maßnahmen und sektorbezogenen Maßnahmen wird systematisch identifiziert und wo möglich genutzt (Twin-Track Ansatz). Diese bedeutet, dass Projekte aus den Profilbereich „Demokratisierung und Good Governance“ auch in anderen Schwerpunkten durchgeführt werden können.“, Profil der deutschen Entwicklungspolitik Asien, BMZ 2008, p. 9..
and strengthening of specific sector institutions.

In terms of formal design the 2\textsuperscript{ND} TRACK would ideally be constituted by a GDC governance component within a sector but can just as well exist if a sector programme addresses governance issues in any other form.

2.1.1. THE CONCEPT OF TWIN TRACK (FUNCTIONAL PURPOSE)

Conceptually, the governance aspect of different sectors (2\textsuperscript{ND} TRACK) should be derived from the cross cutting, horizontal aspects of governance (1\textsuperscript{ST} TRACK) to ensure a consistent system of governance (see graphic). Actions in the sector may be dependent on the 1\textsuperscript{ST} TRACK, since actions taken in the 1\textsuperscript{ST} TRACK can change the sector working environment in the future and national or cross-sector governance dynamics set limits on how far sectors can make it alone. Using the TWIN TRACK approach fosters coordination between the two tracks of governance interventions, as, e.g. it ensures that information on national governance policies (Human Resource Management, Performance and Accountability mechanisms) are passed on to the sector level and assistance in implementation is provided.

As in most countries with fragile governance, there are little functioning communication mechanisms in place between sectors and agencies working on a cross sector level. As a consequence, efforts to improve governance on the two levels are oftentimes not well coordinated. Thus, the function of the TWIN TRACK approach is to enhance the effectiveness of governance interventions by closely interlinking interventions on the two levels of governance and facilitating the mutual exchange of information between the cross sector and the sector governance level.

2.1.2. IMPLEMENTATION (FORMAL DESIGN)

When implementing TWIN TRACK on the country level, the question arises to what extent the TWIN TRACK approach can be linked to a specific GDC country portfolio and what formal prerequisites are needed to apply the approach. The question of formal design is especially important when it comes to the design of the 1\textsuperscript{ST} TRACK.

Recognizing the efforts of GDC to reduce the number of programmes in a partner country, aiming at operating only one programme in each priority area, the definition of the approach follows this ideal. However, the approach would nevertheless work in a country portfolio still comprising more than one programme in a priority area.
2.1.2.1. Ideal Approach

**Governance as a priority area or crosscutting issue and sector priority areas addressing sector governance**

When the concept of TWIN TRACK was first defined in the Strategic Framework of the Cambodian-German Development Cooperation, the definition required (at least) two distinct programmes, an autonomous governance programme covering general governance as a cross-cutting issue and one or more sector programmes.\(^6\) The TWIN TRACK approach can connect the 1\(^{ST}\) TRACK with several sector programmes as 2\(^{ND}\) TRACKS given that these programmes address governance issues (which ideally accounts for every sector programme).

Thus, this approach would be applicable with a GDC countryportfolio that is constituted of an autonomous governance programme that addresses governance as a cross-cutting issue or priority area\(^7\) (e.g. Public Administrative Reform or Decentralization) and at least one sector programme (e.g. Rural Development or Health) addressing governance issues.

This is the most formal definition of the TWIN TRACK approach. However, it is also the ideal way of implementing the approach, as the autonomous governance programme in the 1\(^{ST}\) TRACK offers the best access to insights and decisions on cross cutting governance activities.

---

6 Strategic Framework of the Cambodian-German Development Cooperation for cross-sectional assignment "Democracy, Civil Society and Public Administration" - Good Governance, July 2007, sec. 4.2.

7 In GTZ terms: "Governance als Querschnittsthema oder Schwerpunkt".

---

2.1.2.2. Integrative Approach

**Sector priority areas addressing sector governance topics as well as an independent governance programme within a sector addressing general governance issues**

A second possibility of implementing TWIN TRACK is to have an independent governance programme within a sector priority area as the 1\(^{ST}\) TRACK and one or more sector programmes as 2\(^{ND}\) TRACK. Thus, for the 1\(^{ST}\) TRACK it is adequate to have an independent governance intervention within a sector, which provides an entry point to influence governance on a cross cutting level.

Implementing TWIN TRACK in such a setting still allows for the TWIN TRACK-typical transfer of knowledge from sector programmes to governance programmes to take place, as e.g. sector programmes can provide feedback on the implementation of governance developed by the sector governance programme (1\(^{ST}\) TRACK).

However, as the 1\(^{ST}\) TRACK consists of a sector governance programme, it is more difficult for the 1\(^{ST}\) TRACK to provide the 2\(^{ND}\) TRACK with input on developments on cross cutting governance issues (macro-level). Cross cutting governance issues that affect several sectors - for instance the drafting of a national Human Resources Management (HRM) policy - are usually not addressed in sector governance programmes, but rather in general governance programmes operating on a national level. Consequently, a sector governance programme provides less entry points to influence cross sector governance work. Thus, an important benefit of TWIN TRACK, namely to provide sector programmes with information on the
implementation of national law/strategies/programmes and vice versa to give sector programmes the opportunity to give feedback on the implementation, cannot take place to the same extent as it could using the ideal approach. Consequently, the benefits that the 2\textsuperscript{nd} Track can derive from a TWIN TRACK-cooperation are more limited when applying the integrative approach.

### 2.1.2.3. Substitutive Approach

**Sector priority areas addressing governance topics but no 1\textsuperscript{st} Track GDC governance programme**

This approach is applicable in case governance is neither a GDC priority area / cross cutting issue nor addressed within an independent sector priority area. A “GDC Governance Coordinator” located in the country office could then substitute the 1\textsuperscript{st} Track.

In order to fulfil this task, the Governance Coordinator would attend joint working groups, where the partner country’s government and donors coordinate their actions.\(^8\) Ideally, at these meetings s/he would get an overview on actions taken or planned on the cross sector level of governance, e.g. plans to draft national policies in the field of administrative reform. S/he would also regularly meet with GDC staff working in the sector programmes in order to obtain information on governance issues within the sectors. Thus, with the information on governance issues provided from the sectors as well as the insight on activities on the cross sector governance level, he would be able to recognize sector boundaries and channel information between the sector programmes and the government agencies acting at cross-sector levels of governance.

Such a Governance Coordinator could also be equipped with funds to hire consultants, who would for example evaluate information on governance interventions in the sector level. This information could eventually be presented to decision makers on the cross-sectoral level.\(^9\)

### 2.1.2.4. Harmonized Approach

**GDC Sector priority areas addressing governance topics but 1\textsuperscript{st} Track governance programme of another donor**

Finally, the Harmonized Approach of TWIN TRACK, allows for other donors to cover the 1\textsuperscript{st} Track whereas the 2\textsuperscript{nd} Track constitutes of GDC sector programmes addressing sector governance.

As long as the 1\textsuperscript{st} Track provides an entry point to the level of cross cutting governance decisions, the benefits of the approach can be realized. Thus, the formal design of the approach is construed according to its functional impacts (form follows function).

This definition allows a broader use of the concept regardless of a countries’ portfolio and embraces recent trends in the development community. Since, in the light of current reform processes (Paris Declaration on Aid Effectiveness and the Accra Agenda for Action) and the attempts to size down country portfolios to 2 or 3 main

\(^8\) E.g. in the Cambodian context this would be the Technical Working Groups (TWG), that exist on various topics, such as specific sectors or cross cutting issues.

\(^9\) E.g., if Performance and Accountability tools were introduced in the health sector, the Governance Coordinator could hire a consultant to conduct a study on the efficiency of the tools used. The Governance Coordinator could then offer this study to governmental agencies on the cross governance level responsible for the drafting of general HRM-policies.
areas of activities\textsuperscript{10}, basing \textsc{TWIN TRACK} implementation on the assumption that all country portfolios have a specific governance focus seems to substantially limit the application of the approach. Finally, a rather functional definition also takes into consideration that development partners have different internal structures and would thus not be able to use a formal concept exclusively based on GDC terms.

2.2. Benefits

\textsc{TWIN TRACK} approach can be used as a technique for the design, implementation and evaluation of governance interventions as well as a method to identify governance problems in sector interventions. Applying this twofold approach will avoid isolated, sometimes even contradicting, solutions in specific sectors and provide a framework for the support of an overall (good) governance system. Apart from generally enhancing the effectiveness of governance interventions in partner countries, the \textsc{TWIN TRACK} approach could also improve GTZ's portfolio as an effective partner in technical development assistance, especially since the approach incorporates many of the recent trends in the development aid community.

2.2.1. Knowledge Transfer

One of the most important benefits of the \textsc{TWIN TRACK} approach is the knowledge-transfer taking place between the two tracks. Through cooperation between the two tracks, the general governance intervention is able to obtain knowledge and experience from the implementation of policies and strategies on the sector level. Ideally, studies or assessments on the effectiveness of certain sector programmes undertaken by the $2^{\text{nd}}$ Track are shared with the $1^{\text{st}}$ Track in order to incorporate the obtained results in future policy drafting. This knowledge transfer enables the $1^{\text{st}}$ Track to better evaluate the effectiveness of its work. Also, double data collection can be avoided and the effectiveness of governance intervention be increased.

Avoiding double data collection is especially important in situations where the two tracks are covered by different donors (Harmonized Approach), as usually in these situations there are less institutionalized mechanisms of knowledge sharing in place.\textsuperscript{11}

2.2.2. Donor Cooperation and Complementarily

Furthermore, an important aspect of \textsc{TWIN TRACK} is the enhanced cooperation between the two tracks. Quite often, sectors develop their own policy frameworks, e.g. in the area of HRM, which are not always consistent with national policies. Combining a general governance programme with governance aspects of sector programmes avoids the set up of a double - and sometimes conflicting - structure of policies. This aspect especially holds true in cases where different development partners cover the two tracks. As most donors will have to scale down their country portfolios,\textsuperscript{12} cooperation and communication among development partners involved in general governance

\textsuperscript{10} EU Code of Conduct on Complementarity and Division of Labor in Development Policy, 15 May 2007, Guiding Principle 1, p. 12.

\textsuperscript{11} The Paris Declaration on Aid Effectiveness, March 2, 2005, No32: “Donors commit to work together to reduce the number of separate, duplicative, missions to the field and diagnostic reviews.”. Shared analysis among donors even serves as one of the two indicators for the harmonization according to the Paris declaration.

\textsuperscript{12} EU Code of Conduct on Complementarity and Division of Labour in Development Policy of 15 May 2007, principle 1, p. 12: “Each donor will aim at focusing their active involvement in a partner country on a maximum of three sectors.”
programmes and those involved in sector programmes becomes increasingly important. Using and implementing TWIN TRACK as a tool to be used by the donor community could foster harmonization and lead to more complementarity among donors and would thus be in line with principles agreed upon in the Paris Declaration and the Accra Agenda of Action.\textsuperscript{13}

\subsection*{2.2.3. LEGAL COHERENCE}

Applying the TWIN TRACK approach can also enhance legal coherence. Quite often, separate governance projects (either in the 1\textsuperscript{ST} or 2\textsuperscript{ND} TRACK) require separate pieces of regulations. A lack of coordination between sector and cross sector governance activities can thus create a framework of conflicting rules and regulations, leading to lower level regulations contradicting those on a higher level. Apart from creating major difficulties in implementation, such a legal chaos also hampers efforts to promote the hierarchy of norms, which to many civil servants in fragile states is not a well-known concept.

Through knowledge-transfer and cooperation the TWIN TRACK approach ensures that policies on lower levels of hierarchy are developed in cooperation with national agencies and thus compliant with higher-level regulations.

\subsection*{2.2.4. STRONGER FOCUS ON SECTOR GOVERNANCE}

The approach also embraces the recent trend towards strengthening sector governance,\textsuperscript{14} as implementing TWIN TRACK implies that sector interventions come under strict scrutiny regarding their governance aspects. TWIN TRACK even goes beyond the idea of improving sector governance (2\textsuperscript{ND} TRACK) by addressing shortcomings in the area of sector governance in the context of general governance interventions (1\textsuperscript{ST} TRACK).

Additionally, the enhanced and institutionalized cooperation between the two tracks provides the opportunity to establish sustainable communication structures between agencies working on cross cutting governance issues and sector agencies.\textsuperscript{15} As ministries are asked to provide input into national policies, for example, their role as experts in their respective field is respected which strengthens the institution as such. Fostering communication structures and strengthening sector agencies eventually ensures ownership of the partner country.\textsuperscript{16}

\begin{itemize}
  \item \textsuperscript{13} The Paris Declaration on Aid Effectiveness, March 2, 2005, No3. Iv.：“Eliminating duplication of efforts and rationalising donor activities to make them as cost-effective as possible.”, No. 35: “Donors commit to work together to harmonise separate procedures.”; see also the EU Code of Conduct on Complementarity and Division of Labour in Development Policy of 15 May 2007, p.2.
  \item \textsuperscript{14} EuropeAid Reference Document No. 4, Analysing and Addressing Governance in Sector Operations, 2008, p. 9ff, recognizes governance as a prerequisite to sustainable development of the sector.
  \item \textsuperscript{15} The BMZ also recognizes sustainable development as an overarching goal of development cooperation, BMZ Konzepte 172, Foerderung von Good Governance in der deutschen Entwicklungspolitik, p. 8.
  \item \textsuperscript{16} EuropeAid Reference Document No. 4, Analyzing and Addressing Governance in Sector Operations, 2008, p. 13. The paper acknowledges that fostering good governance in sectors leads to more sustainable results.
\end{itemize}
2.2.5. LEARNING ACROSS
ORGANISATIONS AND LEVELS OF
GOVERNMENT

Finally, the interchange between interventions on a cross cutting governance level with those on sector levels strengthens the cooperation between policy organs on the two different levels of government in the long run. In many countries with fragile statehood, decentralization is only newly established and communication mechanisms between cross-sector and sector agencies are not yet established. TWIN TRACK provides the opportunity to initiate and establish these communication mechanisms, by firstly linking GDC staff of both tracks. As a second step, for instance GDC staff working in a cross-sector programme connects responsible staff of the cross sector agency with respective staff from a sector agency. However, it is crucial that the close cooperation of GDC programmes does not lead to a duplicate communication structure within the donor programmes. Rather, it must be ensured that the partner takes ownership of the communication processes.

---

17 This approach was taken, for instance in country example 3.1.3, where a cross-sector agency (1ST TRACK) invited line ministries (2ND TRACK) to comment on a nation-wide HRM policy. To foster this inter-ministerial communication process, GDC staff working in the cross-sector agency decided to contact GDC staff working in those line ministries that were asked for feedback. This helped identifying responsible government staff in the area of HRM and also provided an opportunity to follow up on contact people in the line ministries when communication got stuck.
3. Country Examples

CAMBODIA NEPAL INDIA INDONESIA

3.1. CAMBODIA

In Cambodian-German Development Cooperation, the need for a twofold approach to good governance has already been officially recognized in the 2007 Strategic Framework of Cambodian-German Development Cooperation. The framework states that the cross-sectional task of promoting good governance, namely of supporting the public administrative reform process and the establishment of a democratic social balance, is to be pursued in a combined approach:

“They are the object of autonomous programs, i.e. the development programs and the selection of the partner structures are aimed explicitly at one of the fields of action (examples: program to enhance women’s rights at the Ministry for Women, employment of experts in Parliament).

They form an integral part of all projects supported in the priority sectors 'rural development' and 'health' in Cambodian-German cooperation. Hence, all projects promoted must contribute to strengthening the legal and institutional framework, democratic development and corruption control.18

The following examples demonstrate how the TWIN TRACK approach connects and coordinates the general governance programme “Administrative Reform and Decentralization” (ARDP) with sector programmes which also focus on governance issues.

3.1.1. REGIONAL ECONOMIC DEVELOPMENT AND PUBLIC SERVICE DELIVERY / CIVIC ENGAGEMENT

3.1.1.1. TWIN TRACK

Component III of the Regional Economic Development (RED)-Green Belt-Siem Reap Province programme directly promotes good governance at the commune, district and provincial levels (2ND TRACK). It supports the implementation of decentralization and de-concentration reforms in areas important for rural development and poverty reduction. This is done, for instance, by enhancing the capacity (via on-the-job training) of the sub-national administrations in creating an enabling environment for pro-poor economic development. Another area of support goes into strengthening the ability of local governments to negotiate with higher levels of administration in terms of mobilizing resources for local needs (via coaching).

The Programme to Support Public Administrative Reform and Decentralization (ARDP) seeks to improve public service delivery and participation of the public in political decision-making processes (1ST TRACK). To achieve this goal, ARDP advises and supports the Cambodian Government in the drafting of national policies as well as developing of relevant legal regulations.

18 Strategic Framework of the Cambodian-German Development Cooperation for cross-sectional assignment "Democracy, Civil Society and Public Administration" - Good Governance, July 2007, sec. 4.2.
RED component III is therefore an important partner to support ARDP. Thus, ARDP can use local level evidence and experiences from the implementation of the decentralization and de-concentration reform gained by RED in its policy advice and capacity development on the national level.

Best practice examples from RED, e.g. from piloting new service provision models, can be promoted by ARDP on a national level.

Vice versa, ARDP is a national level link for the RED programme providing information and insights on the implementation of the Organic law\(^\text{19}\), respective national strategies and programmes in order to assure alignment of RED activities with the national ones and to develop joint pilot activities to promote the implementation of reforms.

### 3.1.1.2. **BENEFITS**

The sector governance programme component of the RED programme is directly linked with the overall governance programme ARDP by implementing decentralization and de-concentration reforms as a mean to improve good governance on the sub-national level.

RED uses and pilots key instruments / projects developed in the realm of national (cross-sector) governance reforms. ARDP provides information on national strategies and programmes to develop and implement jointly these pilot activities. ARDP also gets feedback on how these instruments / projects have an impact on sector-specific reforms as input for policy improvement and development on the national level.

Through this cooperation both programmes are able to improve their performance. RED component III can promote good governance on the commune and district level more effectively by using ARDP support. The improved implication of national de-concentration and decentralization reforms enables local governments to use their new competences more effectively. This also gives them a better position in the bargaining process with the national levels over resources and a competence, which in turn enhances the overall RED programme goal of rural development. Furthermore, ARDP gets direct feedback from the implementation in the field and can improve its policy design simultaneously.

### 3.1.1.3. **CHALLENGES**

National reforms are subject to political bargaining processes. Especially the de-concentration / decentralization reform might be perceived by ministries as a loss of control, competences and resources and can be highly debated. Blockades on the national level have a direct impact on the implementation efforts on the sub-national level, which might also result in a less effective cooperation between the two tracks.

Conflict of aims: The main aim of the RED programme is rural development. Implementing pilot projects to improve service delivery together with the support of ARDP aims at strengthening sector governance in order to implement reforms more effectively. As a long-term aim, this is supposed to help achieve a better position for the sub-national level and to indirectly support rural development. However, these

efforts might turn out to be only secondary to reach the overall aim of rural development. Thus, it could turn out that other activities, which are not directly linked to national governance reforms, e.g. Public Private Partnerships or facilitating association building play a more central role in strengthening rural development.

These activities might only be indirectly linked to national governance reforms. Efforts to find sector-specific solutions might be more preferable than concentrating resources on implementing national reforms.

3.1.2. Health Sector Reform and “Central” Administrative Reform

3.1.2.1. Twin Track

In order to promote transparency and public accountability, the Ministry of Health (MoH) has introduced performance and accountability (P&A) instruments, such as Merit Based Performance Incentives and Special Operating Agencies (2nd TRACK).

The Public Administrative Reform (PAR) in Cambodia, as a component of ARDP, aims at improving the Civil Servants’ management and development by introducing new legal frameworks, policies and instruments. For this purpose, PAR provides support to the Council of Administrative Reform (CAR), which is an inter-ministerial body within the Council of Ministers that plans, designs and coordinates the implementation of the Administrative Reform (1st TRACK).

ARDP has been working closely with CAR in the development of these performance and accountability instruments as well as in the preparation of respective dissemination material. Thus, the advice provided by the CAR to MoH in this process was partly based on the support provided by ARDP.

3.1.2.2. Benefits

General governance reforms - like the introduction of Performance and Accountability instruments, such as Special Operating Agencies (SOAs), improve transparency and accountability when it comes to the management of staff. Thus, general governance programmes represent a direct support for specific sector institutions that suffer from ineffectiveness and lack accountability mechanisms. Health is a critical sector with several obstacles when it comes to reform efforts. A successful implementation in this pilot sector can have positive effects on the implementation of reforms in other sectors. Close cooperation between ARDP as the general governance programme and the sector level programme ensures that lessons learned from the implementation level are being evaluated and incorporated in general implementation guides that are drafted on national level.

For example, in a follow-up study on the success of SOAs in the health sector, one of the possible success-factors of the performance and accountability instrument used (SOA) was identified to be the fact that performance was well defined and reliably observable. Using this knowledge and experience from sector programmes makes it is possible to assess which other sectors
are suitable for similar performance and accountability instruments.

Furthermore, the application of P&A instruments can be supportive to the development of sub-national competences, e.g. in the health sector, as it provides the opportunity to scrutinize the use of resources more specifically, namely focused on specific regions.

Finally, the linkage between the two levels of governance led to a better donor coordination in the area of salary supplements, since the implementation of the P&A instruments by the MoH has also been conducive in addressing Development Partners not yet aligning with P&A schemes.

**3.1.2.3. CHALLENGES**

The change from a unitary National Health Budget to unified multi sector provincial and district budgets might be politically difficult and raise conflict. Deconcentration and Decentralization in the health sector is disputed and a political blockade in this area reduces the livelihood of applying P&A instrument or other national reforms on the sub national level, e.g. as management instruments when it comes to the use of newly gained competences (e.g. applying the instrument to improve overall performance, transparency on accountability on the local level in the health sector).

With increased de-concentration and decentralization there is also stronger need for integrating vertical programme resources into the horizontal management of local services. This might force development partners / non-governmental organizations to refocus and restructure their own programmes, which increases coordination costs for those partners.

**3.1.3. IMPROVING INTER-GOVERNMENTAL COMMUNICATION AND CONSULTATION WITH ADMINISTRATIVE REFORMS**

**3.1.3.1. TWIN TRACK**

The partner of the GTZ programme ARDP/PAR, the Council for Administrative Reform, is developing a government-wide HRM (human resource management) approach. The approach shall acknowledge the primary responsibility of ministries and institutions to manage human resources within their jurisdiction and shall focus on fundamental HRM principles in the Public Sector. Thus the objective is to guide and complement and not substitute HRM policies and practices from ministries and institutions to ensure a coherent and transparent approach. In detail, PAR supports the development of a HRM Framework and an Implementation Guideline – the HRM Manual (1ST TRACK). To achieve this objective PAR fostered the idea of involving (selected) ministries and institutions in the drafting process of the HRM Manual. As a first step, the programme supported CAR to identify three line ministries for conducting a first consultation process. At the same time PAR approached GTZ programmes with ministries as a partner. The programmes were informed on CAR’s activities in the field of HRM and the contact also served the
purpose of identifying suitable candidates for piloting the consultations (2\textsuperscript{ND} TRACK).

It is envisaged that the coordination and cooperation between the different GTZ programmes will deepen as the consultation -and eventually the implementation- process between CAR and different ministries develops and intensifies. In the future the cooperation and consultations may also lead to an institutionalization of communication and consultation processes in the Cambodian government.

3.1.3.2. **BENEFITS**

The coordination and cooperation between the GTZ programmes (and possible further programmes of other development partners) can ensure that the purpose and the objective of the government-wide HRM approach is understood and accepted by ministries and institutions. GTZ programmes working closely with ministries may have personal contact to HR managers or should be able to get in touch with them and encourage them to share their experience in order for CAR to collect and evaluate best practice examples. Furthermore, they have insight knowledge of current practices and policies as well as ongoing reform efforts and are not constrained for political reasons. They can thus serve as a mediator between CAR and the respective ministry. The contact between the two GTZ programmes may in a best-case scenario even help to overcome political barriers.

3.1.3.3. **CHALLENGES**

HRM is one of the most important functions in every institution. It serves the strategic object of the institution and is thus also an instrument of exercising political influence (especially in the public sector). The challenge is therefore to adequately communicate the cooperation to the other GTZ programmes as well as the partner – especially against the background, that cooperation and consultations between ministries and state institutions are not institutionalized yet. It is important to ensure that the coordination and cooperation is not perceived as working behind the partners back. Finally, increased coordination on the donor side should not prevent the Cambodian Government from setting up an inter-ministerial communication structure. Thus, it is important to ensure that ownership of the cooperation process remains with the government.
3.2. NEPAL

3.2.1. INCREASING AWARENESS OF THE CONSEQUENCES OF IMPENDING FEDERALISATION FOR THE HEALTH SECTOR

3.2.1.1. TWIN TRACK

After a decade long conflict, Nepal is currently in a transition process from a unitary to a federal state. The basis for the future federal structure will be outlined in the new Constitution which was planned to be promulgated on 28 May 2010 but was extended by a year. The Federalism Support Programme (FSP) implemented by GTZ on behalf of the German Federal Foreign Office (AA), is supporting the Constitution making process since 2008. The FSP has five components: (I) support to the constitutional assembly and its sub-committees in questions of local governance, (II) transition of the present unitary system to a federal system, (III) justice reform and information sharing with other federal countries (including Germany) as well as (IV) information and awareness creation of civil society groups in selected districts. The broad and demand oriented approach of FSP was able to provide technical assistance and capacity development to a wide range of actors. As the process of the discussion and writing of the constitution is still under way, it is too early to assess the impact the FSP support may have on the overall definition of Governance issues (1ST Track).

As part of the 1ST TRACK, its component two specifically supports the design of the reorganization of service delivery specially in the health sector in the framework of a future federal set-up.

The health sector is one of two sectors which have initiated decentralization efforts already under the present unitary structure, which were however mainly focusing on infrastructure development with no effective devolution of power to subordinate authorities. The Ministry of Health and Population (MoHP) is being supported by the BMZ funded Health Sector Support Programme (HSSP). Its decentralization component is providing policy advice to the Ministry and supporting its sub-ordinate authorities in developing adequate capacities to progress with the devolution of power and simultaneously improving local governance (2ND TRACK). Given the overall context of Nepal preparing for a federal state, this support includes the preparation of the Ministry for the transition process from a unitary to a federal state structure. As the consequences of the state restructuring process will be far-reaching for all government sectors it is important to engage the sectors already during the current drafting of the Constitution and define a transition process early on.

HSSP and FSP supported the MoHP in the elaboration of a draft for a transition plan, the first of its kind. Although other Ministries have not prepared such plans, discussions have started and the issue of transition and adaptation of sectoral governance is increasing. The implementation however will depend on the political decisions to be made during the finalizations of the Constitution.
3.2.1.2. BENEFITS

In Nepal, the TWIN TRACK approach was able to generate knowledge transfer in both directions through different stages. Firstly, from the general governance intervention to the health sector as a sector programme: through FSP and HSSP support the MoHP was able to gain a deeper understanding of what federalism means in terms of restructuring the administration, but also with regards to the design of an equitable health care financing mechanism. Besides, the MoHP has been encouraged to play a proactive role in the Constitution making dialogue. The Ministry with the facilitation of GTZ was able to introduce experiences from the sector level into national policy drafting: FSP and HSSP have been cooperating in supporting the Ministry of Health and Population (MoHP) as the only government ministry to give feedback to three draft concept papers of the Constituent Assembly (CA) concerning health related matters (draft concept on 'State Restructuring and Distribution of State Power', Fundamental Rights and Distribution of Natural Resource' and 'Economic Rights and Revenue Sharing'). The relevant Constituent Assembly members who had been involved in the drafting appreciated the suggestions and the feedback demonstrated that the drafts could be improved substantially.\(^{20}\) If taken into consideration by the CA, the recommendations of the MoHP would base health related provisions to actually available resources as well as capacities of the health sector, which was not the case in the draft report. A second benefit, the TWIN TRACK approach again allowed for the transfer of knowledge from the general governance intervention, namely the FSP, to the MoHP as a sectoral line Ministry: Facing the upcoming re-structuring of the health sector in a federal state, the MoHP started the process of preparing for this transition. At the MoHP workshop: 'Federalism and the Health Sector' in December 2009, FSP presented specific inputs on the topic of Functional Assignment as addressed in a Technical Paper prepared by the Decentralization and Local Governance Working Group of the Sector Network Governance Asia (SNGA). Functional Assignment was seen as a useful think tool to conceptualize the future structure of the health sector in the new federated state of Nepal. The exchange during this workshop was considered a positive starting point by all parties to further substantiate the transition process in the health sector and to assess to what extent Functional Assignment will play a role in it. The successful initiation of addressing the challenges related to sector decentralization is a result of the close collaboration between two GTZ programmes.

3.2.1.3. CHALLENGES

In order to get a better understanding of the type and the dimensions of changes the health sector would face in a major re-structuring process, FSP and HSSP envisaged first a concept outline capturing the key elements of a public policy analysis. This analysis would aim to retrieve information on how a “federalised” policy area such as health could look like and which transitional arrangements might be necessary. Further, the analysis would provide information on transitional costs and necessary time lines for transition (the study was commissioned by FSP)\(^{21}\). It was planned to carry out the analysis in the

---

\(^{20}\) See upcoming publication on Federalism and Health, GTZ FSP and HSSP, 2010

\(^{21}\) Analysis of sectoral policies, Public policy areas in the transition to a federal state structure, unpublished report by FSP, 2010
health sector under the guidance of HSSP and to use the findings and recommendations later on as lessons learned for other sectors. However, the current political deadlock in Nepal has considerably jeopardized the Constitution making process and has hampered the process to the point where the whole process had to be extended by a year. Lead by the fear of being accused for meddling into the Constituent Assembly’s business, bureaucrats and civil servants, not only in the MoHP have become very hesitant to engage proactively in further preparing the transition from the unitary to a federal state structure. This has meant that the promising process of having the health sector the first public policy area starting to prepare for the transition was halted due to the political partner’s reticence. Eventually, the outcome of the cooperation between FSP and HSSP in bringing together general governance issues and sectoral governance proposals (TWIN TRACK) in Nepal will be determined by the political decisions made in the Constituent Assembly and by the concerned Ministry during the implementation and adaptation of the health service to the new political and administrative structures of Nepal.
3.3. INDIA

3.3.1. TWIN TRACK

The Constitution of India through its 73rd Amendment in 1993 facilitated a process of restructuring and strengthening the systems of local self-governance in India by constituting Panchayati Raj Institutions (PRIs) as institutions of local self-governance in rural areas. PRIs were mandated to ensure economic development and social justice at the local level. However, PRIs in general, could not effectively deliver their responsibilities due to lack of adequate legal, institutional, human resource and financial conditions.

The Project on Capacity Building of Panchayati Raj Institutions (PRIs) in Himachal Pradesh was launched in August 2007. The PRI Project aims to improve core governance functions of PRIs by supporting the state government in designing appropriate legal, institutional, human resources, and fiscal framework to operationalise the decentralization and devolution process in the state of Himachal Pradesh (HP) (1ST TRACK).

It is expected that the project will have an impact across sectors and will help addressing relevant service delivery functions of PRIs in the state. To demonstrate the impact on the service delivery function of PRIs, the project also works on rural drinking water as a sectoral issue (2nd TRACK). Thus the project implements two fields of advisory activity. On the one hand it aims to introduce regulatory reforms by improving conditions for decentralization. On the other hand it aims to implement decentralization reforms in the rural drinking water sector.

It may be noted that at present the elected representatives of PRIs are unable to perform their responsibilities due to unclear roles, inadequate capacities or resistance of the field level functionaries of the departments to share development functions with the Panchayati Raj Institutions. The 1ST TRACK of the project attempts to help the state government in promoting devolution of functions, funds and functionaries to the PRIs. It also emphasizes institutional strengthening of GoHP training outfits. Accordingly, the core project objective is to adjust the legal, institutional, human resources and fiscal framework conditions for effective decentralization.

The water sector is vital to social, ecological and economic development of HP. Ensuring supply of clean drinking water in adequate quantity is central to the national and state water policy. The Government of India has initiated sector reforms towards a demand driven and decentralized rural water supply. With sector reforms, involvement of local communities in planning, implementation and subsequent operations and maintenance of water supply schemes has come into focus. Accordingly, the Government of Himachal Pradesh has stressed on provision of sufficient water, maintaining its quality and safeguarding the long term supply by involving PRIs as local service delivery institution. The emphasis of the 2nd TRACK of the project has been on supporting effective devolution of functions,

---

22 PRIs function at three levels. The local government working at the village level are called Gram Panchayats (GPs); the local government at the intermediary level or block level is called Panchayat Samiti; the local government at the district level is called Zilla Parishad.

23 Hereafter referred to as PRI Project.
funds, and functionaries to PRIs for ensuring rural drinking water services. It also designs and implements a comprehensive capacity building plan for PRIs in selected locations for demonstrating the positive outcome.

3.3.2. BENEFITS

Post 73rd Constitution Amendment in India, different state governments have adopted different approaches to strengthen PRIs as institutions of local self-governance. In this context, one of the core issues that every state government in India is grappling with is to design an effective strategy and road map for devolution of functions, funds, and functionaries to PRIs. Some of the states have designed and implemented policies on functional assignment in varying degrees to promote PRIs as institutions of local self-governance. Most of the state governments are, however, sceptical about the competency of the PRIs to function as institutions of local self-governance. They would still prefer to support projects that can create evidence at the grassroots level to demonstrate that PRIs can really function as institutions of local self-governance.

Against this backdrop, the PRI project attempts to simultaneously address both the concerns. On the one hand, it is devising a conceptual process architecture that the state government can adapt and use to design an effective road map for ensuring functional assignment across the sector. On the other hand, for illustration purpose, it is also working on the issue of service delivery of drinking water with selected PRIs to demonstrate that PRIs can effectively function as institutions of local self-governance. The experiences and evidences generated through activities undertaken to promote devolution in drinking water sector has helped the project to provide ongoing inputs to the policy makers to address some core governance issues. Over a period of time, these evidences have helped the project to make a stronger case for the proposed strategy and methodology to promote decentralization in HP. The work on drinking water has also highlighted cross-sectoral issues related to constitution of committees within PRIs, budgeting, and procurement of staff. Another interesting outcome of the TWIN TRACK APPROACH is visible in the form of increasing bottom up demand from PRI representatives for effective decentralization in HP.

3.3.3. CHALLENGES

One of the major challenges, which the project has been facing constantly, is to develop a mechanism to ensure effective coordination between the sector department, and the parent department in charge of PRIs affairs within the state government. Lack of inter departmental coordination is a huge challenge right from the grassroots level to state level. The TWIN TRACK approach demands a radically different mindset among the state government officials to effectively demonstrate its efficacy. Unfortunately, the existing project boundaries do not allow space for ensuring day-to-day coordination. It is, therefore, imperative that a formal role for the highest policy making as well as executive bodies should be clearly explained within the project boundaries.
3.4. INDONESIA

3.4.1. CENTRE FOR GOOD GOVERNANCE

3.4.1.1. TWIN TRACK

In the context of supporting the Administrative Reform efforts in Indonesia, an Integrated Expert from the Centre for International Migration (CIM Integrated Expert) is managing the Center for Good Governance (CGG) at the province government of Yogyakarta, Indonesia.

As a first pillar, CGG is working as a Competence Center on Governance, supporting the administrative units of the provincial government for example in optimizing their organisational structure, work standards and SOPs. The center covers all relevant general issues such as: Vision and Mission, Set up of Human Resources Management, Organisational Development, Planning, Drafting of Regulations, Leadership, Education and Training, Networking and Cooperation etc. (1ST TRACK). Among others, Cluster Working Groups for concept development are organized and facilitated, involving all relevant administrative units, individual consultation and coaching for decision takers and other key persons is provided and information management supported.

As a second pillar, CGG focuses on management and performance of the provincial government in selected policy fields, who play an important role in context of Good Governance and of the Millennium Development goals and therefore are thematic key sectors for the improvement of the Government's performance, such as: Poverty Reduction by Sustainable Regional Economic Development, or Equality Issues, among them Gender Mainstreaming and Diversity Management, (2nd TRACK). CGG provides thematic analysis support in these fields, if necessary additional input, monitoring and evaluation, or facilitates building up of links to resourceful other governments and non-governmental partners. Interventions conducted here are among others a new strategic approach for the development of economic midterm development planning, and an operationalization of the targeted Gender Budgeting implementation.

From the understanding of CGG, general governance topics are cross cutting issues for the affected key sectors. Respectively there are governance issues arising out of the work within the sectors - an attempt to develop the one without the other would be incomplete.

3.4.1.2. BENEFITS

The set up of the Center for Good Governance offers wide opportunities to perform the TWIN TRACK approach by connecting both pillars and use the knowledge transfer between them. For example, in order to design adequate education and training, it is indispensible to take general governance issues, such as equality concerns, into consideration. Vice versa, a proper Equality Policy cannot be drafted without taking into consideration basic structural aspects in the respective environment, e.g. the general set up of training and education within public administration.
The unique setting at CGG means: both pillars of the Twin Track are executed by the same agency, not, as elsewhere, by different actors whose activities get coordinated. This means for the learning process: involved experts on general governance learn to switch their perspective to sector policy, sector policy specialists learn to switch to a general governance perspective, and all together build capacity in “Twin Tracking”.

Beyond the core issue of the assignment of the Integrated Expert (General Governance Reform), Twin Tracking lead in Yogyakarta to additional benefits for sector policy development. The CIM Integrated Expert conducted an initial assessment in 2008, which included feedback from all levels of the provincial government as well as from key players of the two CGG pillars, namely those in the field of general governance and those in the field of sector policy. In this starting assessment, several administrations mentioned the need for support concerning Regional Economic Development and the administrative capacity in this field. Relevant professional expertise was either unavailable or available resources were insufficient. Twin Tracking lead to a strengthening of the professional capacities in the field of economics within bureaucracy, e.g. by establishing cooperations with private stakeholders, who can provide necessary competency, and by rethinking principles of recruitment (both are general governance issues). A Cluster Working Group, dealing with an improvement of sector policy in the field of Economic Development, discussed consequences of the special needs in the economy sector for the modernisation of the Human Resources Management in general. As a result, for example a priority in recruitment of new civil servants with specific expertise in economy was agreed on, leading to a more need oriented recruitment practice. Thus, both discussion were supportive for each other and contributed to the development of appropriate concepts, based on the actual needs of the province government.

Twin Tracking supported the acceptance of Administrative Reform. The programme was designed on a solid basis of mutual assessment and prioritization of interventions by all relevant stakeholders; a clear link between reform activities and perception of room for improvement of participating administrative units lead to a broad sustainable support for the reform programme on executive level - despite the significant energy that needs to be invested in addition to every day work load.

This is remarkable particularly as the Indonesian Government suffers a lack of professionalism with self-responsible management in general (especially on province government level). Thus, particularly the question of developing and implementing a substantiated concept of how to deal with the interdependency of different aspects of governance remains a weak point in Indonesia’s governance performance. Executives have avoided touching complex issues so far, realizing that they lack the competency for it or trying to avoid risks. Linking general governance issues with sector interventions has lead to more willingness to face the challenges of modern public management. This leads to more proactively instead of reactivity, to governance instead of pure administration.

Twin Tracking in the sense of bringing different perspectives together finally supports in Yogyakarta networking and readiness to share responsibility. This is key
issue in a modern understanding of governance that is no longer limited on the acting of public administrations, but integrating civil society stakeholders.

3.4.1.3. CHALLENGES

TWIN TRACKing means to meet with modernity and complexity. Both are difficult issues in Indonesia (but for sure also in other countries). The educational background of the big majority of civil servants in provincial governments in Indonesia is not sufficient to perform a sophisticated management approach, and so the question of capacity building is a key issue for a successful implementation of TWIN TRACK. As learning processes take time, particularly in case of dealing with cultural issues and “mega competencies” (such as dealing with complexity), a TWIN TRACK will reach obvious limits if the given time frame is unrealistic. In case of Yogyakarta, the successful implementation was linked to a number of key persons within the administration who were motivated to initialize and perform change, and at the same time experienced enough to understand the strategic approach. These key persons work as multipliers within their respective administrative units, as Change Agents, who can provide a perspective for sustainable implementation.

As a lack of specific expertise in thematic policy fields was the initial situation in Yogyakarta, a big challenge for the Integrated Expert was also to integrate resourceful partners into the process, who can provide necessary additional expertise. Supportive was at this point, that the CIM Expert as Senior Professional from the field of Public Administration was able to provide own resources, but also a wide network of existing contacts. Linking up with other Integrated Experts and partners from Technical Cooperation remained limited due to a lack of available resources. Networking is not possible without a budget, but to learn about the advantages of networking is a result of the TWIN TRACK, and so unavailable resources have to be compensated by creativity. This requires a lot of energy and comes to “natural limits”, particularly in context of a CIM Integrated Expert assignment.

For more information, please visit the Weblog of CGG:

http://www.cggjogja.net.tf

Contact partner: Dr. Christoph Behrens, Email: christophbehrens@cimonline.de
4. Way Forward

Since the theoretical concept of the approach has been fleshed out in this paper, in this paper, decisions have to be made how the approach should be used within the existing structure of GDC. Up for debate is the possibility of developing a standardized TWIN TRACK tool to be applied by GDC programmes and/or using TWIN TRACK as an “governance” indicator, especially in sector programmes. Finally, a decision should be made on whether and how GTZ headquarters should be involved in the implementation of the approach.

4.1. Making TWIN TRACK Operational

When thinking of ways to implement TWIN TRACK, the question arises whether there should be a TWIN TRACK tool for identifying TWIN TRACK potential in development cooperation. The development of a TWIN TRACK tool would make the theoretical approach operational and allow application on the technical level, not only within GDC but also as a product that might be offered to the whole donor community.

Such a tool could for example consist of a questionnaire or a strategic mind map to be completed by every programme in order to detect and examine interdependencies between general governance and sector programmes. This assessment would lead to more awareness of governance issues within sectors and to a greater understanding of the importance of (sector) governance as a general success factor of development cooperation.

However, using TWIN TRACK as mandatory tool, also means increased workload and costs, as GDC employees might have to be trained to be able to apply the tool consistently. Furthermore, in order for the TWIN TRACK approach to be applied broadly, the tool would have to be designed in a manner that would also allow its use by other development partners. This is especially difficult, because development partners have very different internal structures. Also, development partners might be reluctant to cooperate on such a close basis, as they might be afraid that e.g. joint evaluations might have the effect of an “external review”.

4.2. TWIN TRACK as a Governance Indicator

Considering the recent trend towards recognizing the important role of (sector) governance to aid effectiveness and poverty reduction and the attention that the international community has recently paid to this issue, TWIN TRACK might also be used to introduce a governance indicator in sector programmes.

Introducing a governance indicator in the sector programmes of the 2nd TRACK, fosters awareness of the interrelation between sector programmes and cross sector governance programmes. As in many cases where the TWIN TRACK approach is applicable, there is only little awareness of governance aspects in the work of sector programmes and of the important role sector programmes can play in supporting cross sector governance efforts.

---

For example, in Cambodia, the GTZ Public Administrative Reform Component of ARDP supports policy drafting on the cross sector governance level. However, indirectly it also supports administrative reforms in the sectors, as e.g. the performance and accountability tools that are developed on a cross sector level are implemented for example in the health sector in order to improve public service delivery. In the Cambodian context, this influence is reflected in the programme indicator, which is to improve the performance of civil servants (in the health sector) on a performance and accountability scheme.

Vice versa, sector programmes could also use a governance indicator, which reflects their contribution to administrative reform. In the Cambodian example, this indicator could be that the health programme develops a sector wide HRM-policy in cooperation with national agencies and in line with national HRM-policies.

Using cross-programme cooperation as an indicator for reaching the programme goals fosters cooperation among programmes on governance issues and therefore improves the work on governance related issues in general. Given the increased relevance of improved governance for aid effectiveness, this also contributes tremendously to the success of various sector related interventions. Furthermore, the use of TWIN TRACK as an indicator could foster sustainable development as it enables DPs to examine whether lessons learned in sector programmes are being considered in future general governance actions, e.g. policy drafting.

However, when it comes to sector programmes, TWIN TRACK as tool might be primarily used as an underlying process supporting the work on reaching overall goals and might not be seen as an indicator itself. Depending on the specific context and country portfolio TWIN TRACK might be used as an indicator.

4.3. THE ORGANIZATIONAL SET UP OF THE WORK ON TWIN TRACK

Finally, a decision must be made on how to obtain inputs for the further development of TWIN TRACK in the future. In order to proceed with the development of TWIN TRACK as a concept or even a strategic tool, it is essential to collect more information on the cooperation among general governance and sector programmes. Since only with input from different contexts and sector programmes will TWIN TRACK become a tool applicable across various programmes and countries.

Thus, one option to structure the work on TWIN TRACK could be the establishment of TWIN TRACK or governance groups in every developing country where GDC is operating. Currently, for instance, GTZ has set up a governance group in Cambodia to provide a forum for GTZ and CIM staff working in the field of governance. As it is vital for the development and implementation of the TWIN TRACK approach to obtain information on governance issues within the sectors, the next question is whether participation of sector programmes in these governance groups should be encouraged.

However, there are several arguments against the set up of governance groups:

---

Not all country portfolios have a strong governance focus and also, not every country where GDC is operating might have the human resources to establish a special working group focussed on governance topics. A feasible solution might be to have (sub-) regional working groups collecting inputs from sector as well as general governance programmes and then bundling and channelling these inputs to the TWIN TRACK Working Group.

4.4. INVOLVEMENT OF GTZ HEADQUARTERS

Still, the question remains whether future challenges can be tackled by such a TWIN TRACK /Governance Working Group alone or whether an increased participation of GTZ headquarters is needed. Headquarter participation could take place, for example, in the form of a GTZ-Eigenmaßnahme. The benefit of an increased involvement of GTZ headquarters is that support for the development of TWIN TRACK can be institutionalized. However, in terms of workload and questions of flexibility of the working process, this process of institutionalization might have a lot of side effects. So far the development of TWIN TRACK in the SNGA was driven by the voluntary coordination among GTZ and CIM governance experts based in the region. Although a contact person in headquarters would be beneficial for the process of establishing TWIN TRACK as a standard product, there are open questions in terms of task allocation. Competences and relation to the working group need to be defined and tasks clearly allocated.

26 An Eigenmaßnahme in the area of good governance was for instance established to create the publication “Natuerliche Ressourcen und Governance: Anreize nachhaltiger Nutzung”. Research showed that insights gained in practice could often not be used in a cross sector context as different approaches in sectors lacked common terminology and references. Thus, the paper compiles different approaches by GTZ sector interventions in the area of natural resources and develops a common framework of terms and definitions.
List of References


EU Code of Conduct on Complementarity and Division of Labor in Development Policy (2007)


German Development Cooperation. Democracy, Civil Society and Public Administration: Strategic Framework of the Cambodian-German Development Cooperation for cross-sectional assignment” in Good Governance (2007)

GTZ Federalism Support Programme (FSP) and Health Sector Support Programme (HSSP). Federalism and Health (2010)


The Paris Declaration on Aid Effectiveness (2005)
