



Strengthening Country Systems:
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NON-PROJECT ASSISTANCE AND POLICY REFORM: LESSONS LEARNED FOR STRENGTHENING COUNTRY SYSTEMS

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EXECUTIVE SUMMARY¹

This paper reviews USAID experience with non-project assistance (NPA) as a potential learning resource for current efforts to strengthen country systems. Beginning in the 1980s and extending into the 1990s, NPA, in contrast to project assistance, provided aid directly to governments in order to support policy reform. Cases are reviewed from three sectors—agriculture, health, and education—in addition to general budget support (GBS). NPA experience has a number of important dimensions relevant to strengthening country systems:

- **Policy dialogue**, which builds host country ownership and informs program design;
- **Institutional analysis**, which identifies constraints to policy reform and how to address those constraints;
- **Monitoring and evaluation**, which is ongoing in NPA and is critical to error-correction as implementation proceeds;
- **Inter-ministerial and public-private decision-making**, which is needed to involve all relevant actors in a sector or relevant system in the implementation process;
- **Donor coordination**, which reduces host country transaction costs while enhancing donor impact;
- **Technical assistance to strengthen capacity**, which is project-based assistance closely tied to NPA and policy reform, needed to create the capacity required to implement a program and sustain it beyond the period of assistance.

NPA shares with the country systems strengthening approach a focus on systems. Like policy reform structures, country systems have institutional boundaries that cut across government ministries, levels of government, and public/private sectors. Moreover, strengthening country systems often requires changes in the rules governing system activities: this is equivalent to policy reform. Each of the dimensions of NPA-supported policy reform programs is therefore also of substantial relevance to strengthening country systems.

¹ This summary is taken from a background paper prepared for the USAID Strengthening Country Systems Experience Summit. To access the full paper, please visit <http://kdid.org/library/non-project-assistance-and-policy-reform-lessons-learned-strengthening-country-systems>.