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ISSUES PAPER

"WORK IN PROGRESS"

Contributed by: The World Bank

**Policy Workshop on "Global Programmes and the Paris Agenda"
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I. Introduction

1. **Global programs that address thematic issues across countries and regions have increased rapidly in recent years.**¹ The sponsors of such programs see them as important instruments to address specific global challenges – either to increase the supply of global public goods (preserving environmental commons, fighting infectious diseases) or to address development goals whose urgency has been agreed by the global community (such as the MDGs). Despite broad agreement around the high priority of global program objectives, issues have been raised on **how to improve program effectiveness and sustainability on the ground.** These issues can be unbundled at two levels.

- **Actions at the level of the global program.** What actions need be taken to improve the design and operational modalities of such programs to best adapt them to specific country circumstances and priorities? How can these funds be more effectively integrated and aligned at the country level? The answers to these questions have often focused on the need to promote harmonization among donors and improve the quality of dialogue among donors and partner countries. Identifying these actions has been at the center of the Paris Declaration on Aid Effectiveness and the several evaluations that have been conducted so far regarding the operations of global programs, particularly in the health sector.
- **Complementary of actions and policies beyond the global program.** Global programs are meant to support targeted actions in a specific area, but their effectiveness depends upon actions taken beyond the scope of their own intervention. In particular, their sustainability and potential to achieve program goals over the medium term depend also on broader policies and institutional processes at the sectoral and country-wide level. Country-led development strategies and sustained overall growth and fiscal sustainability are therefore critical for the success of global programs. These actions must be supported by more flexible and less earmarked aid responding to broader, long-term country needs. A key question is whether the balance between global “vertical” and country “horizontal” programs is appropriate now, and whether it will be in the future.

2. This summary note for the Policy Workshop on “Global Programs and the Paris Agenda” primarily addresses the first set of issues – what we have learned in recent years regarding alignment of global programs at the country level – and how the *Draft Good Practice Guidance for Integration and Effectiveness of Global Programs at the Country Level [COM/DCD/DEV(2006)9]* could help to achieve such alignment, involving donors, partner countries, and global programs themselves. The second set of issues – the complementarity of traditional aid with global programs – also remains important, and further analysis and discussion should also be pursued, again involving a broad range of voices and stakeholders.

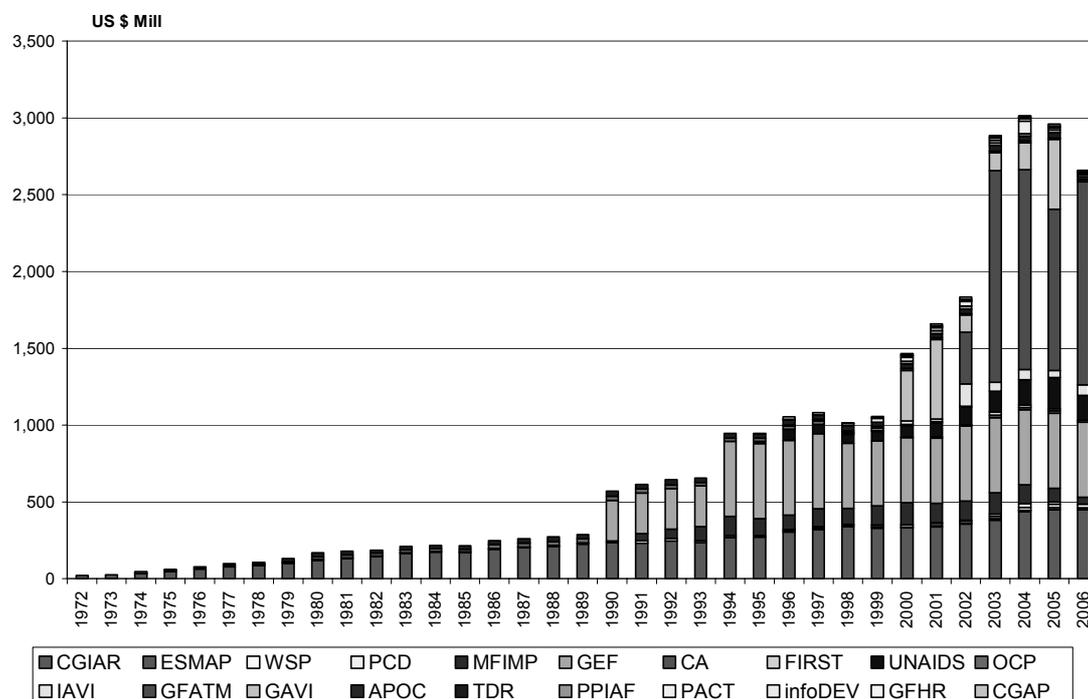
II. Trend in Global Programs

3. Most global programs are small in financial terms because they focus on network building and knowledge generation and dissemination. Over 95 percent of the contributions to global programs² are accounted for by a few large programs, several of which have significant presence at the country level. The chart below shows the recent history of contributions to 20 significant global programs.

¹ For background and a definition of Global Programs, see the Attachment.

² Aside from the Carbon Funds, which have not yet begun disbursements.

Resource Allocation to 20 Major Global Programs



* Since 2006 CGIAR contribution data is not available, 2005 contribution amount is used for 2006
Source: World Bank

4. Contributions by donors to global and regional programs will total about \$3.0 billion in 2006, up from about \$1.0 billion in the mid-1990s (see charts below). About two thirds of the resources provided to global programs are from DAC members, with the remainder coming from foundations and other NGOs. Resources associated with global programs will comprise about 3 percent of total ODA in 2005. The \$3.0 billion in contributions to global programs in 2004 amounted to 3.8 percent of total ODA. To provide some perspective, this \$3.0 billion was equivalent to 19 percent of flexible bilateral ODA and 12 percent of multilateral ODA. The role of global programs in total ODA flows is most important in the health and environment sectors.

III. What have we learned about Linkages between Global Programs and Country Programs?

5. **The rapid growth in global programs, and particularly in global health partnerships, in recent years has led to a lively discussion about their impact on the ground and to efforts towards better coordination.** Notable achievements include the *Three Ones* principles advanced for HIV/AIDS programs sponsored by a broad range of partners and the *Best Practice Principles for Global Health Partnership Activities at Country Level* agreed in November 2005. The sponsors of health programs have continued to deepen their coordination efforts at both the global and country level. The UK (DFID) issued the study *Assessing the Impact of Global Health Partnerships*,³ and the Bill and Melinda Gates Foundation commissioned *Global Health Partnerships: Assessing Country Consequences*.⁴ Another influential report was *Global Fund-World Bank HIV/AIDS Programs Comparative Advantage Study*⁵ which looked at a

³ *Assessing the Impact of Global Health Partnerships*, Karen Caines, DFID, 2004.

⁴ *Global Health Partnerships: Assessing Country Consequences*, McKinsey and Co., November 2004.

⁵ *Global Fund-World Bank HIV/AIDS Programs Comparative Advantage Study*, Alexander Shakow, January 2006.

possible division of labor between these two institutions across disease-specific programs and broader health systems. The High-Level Forum on Health MDGs considered the study *Scaling up to Achieve the Health MDGs in Rwanda*. Moreover, the evaluation departments of global programs themselves have been active and have issued studies such as the *GEF Country Portfolio Evaluation: Costa Rica*.⁶

6. **A year ago, the co-sponsors of the Paris High Level Forum on Aid Effectiveness agreed to look more broadly at issues of global program alignment.** In late 2005, the World Bank, OECD-DAC⁷, the MDBs and UNDP proposed to follow up the Paris Declaration and identify ways and means for better alignment between global and country based programs. While this work builds on the health sector, it seeks to expand the scope and adapt it for cross-sector application, including cross-checking for relevance of recommendations in a broader setting, aiming for a generally applicable set of recommendations. This work has now been brought together in the paper *“Integrating Global Partnership Programs with Country-led National Programs: Synthesis of Findings and Conclusions”*[COM/DCD/DEV(2006)7] This Synthesis report has been made available to participants in the December 5 Policy Workshop and forms the background for discussion.

7. **The findings of the Synthesis Report stress the need for alignment and harmonization to a broader range of global programs.** The Synthesis report reflects the findings of six country studies and the review of selected programs such as the Education for All Fast Track Initiative (EFA-FTI) and Consultative Group on International Agricultural Research (CGIAR) and also draws on the previous studies mentioned earlier. The countries selected for specific review were Bangladesh, Brazil, Ghana, Nicaragua, Niger, and Tunisia.⁸ Additional country-level analysis was done in Yemen. Review focused on sectors where GPs involvement is the highest; i.e., in health, environment and education. Several partners (AFD France, DFID United Kingdom, GTZ Germany, the OECD Development Center, and the World Bank) contributed studies, and funding has been contributed by Norway and Sweden.

8. **Country capacity and global program design matter.** While all global programs face some similar alignment challenges, there are also patterns that relate to (i) whether the country involved is low-income (and aid-dependent) or middle; (ii) the implementation approach of the global program and its adaptability to working with other donors and aligning with national development strategies and procedures; (iii) whether objectives involve the transfer of large grants or are primarily knowledge-focused; and (iv) whether the program seeks to support recurrent costs, particularly in areas where the central government budget is an important national distribution channel.

9. **In low-income countries, there are challenges related to harmonization and alignment.** In a study of **Ghana** carried out by the OECD Development Centre, the priorities of global programs were found to correspond well to national plans and strategies. However, there was a perception that the availability of vertically earmarked funds could lead to some distortion. In one example there was less direct support for the national priority to address land degradation while funding was more readily available for climate change. In the health sector, harmonization between global program coordination mechanisms and other donor-recipient systems remained a major challenge; this was also found in reviews sponsored by the World Bank in **Bangladesh** and **Kenya**. GTZ sponsored a study of **Nicaragua** that found differing levels of integration of global programs, with funding from the EFA-FTI well integrated into national plans and budget processes. Funding from GEF was less integrated, depending upon the nature of the specific project and the implementing agency, but new efforts to design a broad national environmental sector program offered the possibility for better integration going forward. The challenge of

⁶ *GEF Country Portfolio Evaluation: Costa Rica* GEF Evaluation Office, May 2006.

⁷ DAC - The Development Assistance Committee is the principal body through which the OECD deals with issues related to co-operation with developing countries

⁸ A partial review was also done of Kenya.

integrating global programs in **Bangladesh** was not separate from harmonization and alignment across all development aid, which remained largely project-based, and recent efforts towards better coordination among the government and donor community could improve impact of both global programs and traditional development sources.

10. **Fragile states pose specific issues.** AFD researched the integration of food aid programs in **Niger** during the crisis in 2004-2005. This study showed that while some cooperation among official international relief programs was established early on, it initially depended on major NGOs responding to the crisis. Under pressure of the crisis, coordination improved and a lasting system is now in place.

11. **Middle income countries have used global programs to address global issues.** In a study of **Brazil** sponsored by GTZ, and a review of **Tunisia** sponsored by the World Bank, major environmental programs such as the GEF and Montreal Protocol were found to have catalytic impact. **Brazil** had the capacity to use these programs to respond to global environmental conventions as well as to emerging concerns highlighted by external global activism or a growing civil society at home. In **Tunisia**, initial support from GEF or Montreal Protocol led to mainstreaming some environmental projects going forward using domestic resources.

12. When a global program is designed upfront to address issues of harmonization, alignment, and sustainability, there is positive impact on the ground. The EFA-FTI was reviewed (in a study sponsored by DFID) and was found to stimulate country-driven basic education strategies and anchor donor support through country-level mechanisms, while also tracking specific indicators of progress. Yemen, which entered FTI in 2002, was found to have made significant progress in basic education, not only because of FTI, but also because of strong government and donor commitment. Yemen also received catalytic funding through the FTI to move beyond “donor orphan” status. Positive findings about FTI were also documented in the other country reviews, as well.

13. **Effective linkages between global programs and country actions depend upon proactive efforts on both sides.** In a study of **CGIAR** sponsored by World Bank, the 30-year experience of this agricultural research program showed instances of linkage to technical and policy counterparts in country-level national agricultural research centers and agricultural ministries, as well as to the farm and community level. This was possible due to proactivity and flexibility on the part of **CGIAR** in balancing its mandate for research with the needs of countries for applied technologies. In the country studies cited above, there were numerous examples where **CGIAR** had influenced national agricultural strategies and projects and had been scaled up through country investments funded by ODA and in some cases by other complementary vertical programs (IFAD, GEF, and FAO).

14. In sum, neither global programs nor country programs alone are a panacea to meeting development challenges – they have to be conceived, designed and implemented in tandem. Global programs can be very effective in complementing multilateral and bilateral country programs to achieve a specific objective. Selectivity is required to reduce proliferation of new programs, increase efficient use of resources and forestall alignment problems at the country level. And, when the creation of a new global program is appropriate, it should be designed taking into account the full development landscape.

IV. Towards Good Practice Guidance for Global Programs.

15. Moving forward, which good practices can enhance the effectiveness of global programs?

The other document for discussion on “Draft *Good Practice Guidance for Integration and Effectiveness of Global Programs at Country Level*” takes into account the context of the Paris Declaration and work done in health. The good practices address different parties involved in global programs, including donors, partner countries, and the governing bodies and management teams of the global programs themselves. The relevant good practices are proposed as follows.

- **Selectivity.** Sponsors of global programs should “think twice” about whether a new program is needed and pursue coherence in selecting global programs.
- **Governance of Global Programs.** Sponsors should establish governance arrangements to maximize effectiveness and to provide clear objectives and the flexibility needed to attain them.
- **Ownership.** Partner countries should take leadership in integrating key global programs in their development strategies.
- **Alignment.** Global program sponsors should help partner countries identify and access support. Global programs, while respecting global mandates, should align with partner-country strategies, programs, and systems. Financing should be made predictable and sustainable, and allocation should be by performance and need. There should be flexibility to fit global program funding cycles to country needs.
- **Harmonization.** Global programs should harmonize proactively with other donors. Donor agencies should take into account the role of global programs in countries and work with them.
- **Managing for Results and Accountability.** Global programs should participate with others in coordination meetings and monitoring mechanisms, incentive change, evaluate and adapt, and be accountable not just for inputs but also outputs and outcomes.

16. There are four areas where the current discussion of the Draft Good Practice Guidance will add particular value, beyond the progress already made through the Paris Declaration and Health Principles.

- To clarify that **all global programs** - and not simply those in the health sector - should be included in the Paris Declaration.
- To increase **selectivity** - and focus on the threshold question of whether existing mechanisms can achieve the same purpose.
- To inform sponsors of new global initiatives about lessons learned from past experience, in order to **influence upfront the design** of global programs.
- To ensure that the many **opportunities provided by global programs** are not lost in the translation to country level development - ranging from simply overcoming failures in awareness and information to making optimal use of the program resources at country level.

V. Issues for Discussion

17. The Policy Workshop on December 5, 2006, in Paris, co-sponsored by the World Bank and the OECD, provides an opportunity for participants from a broad range of organizations and donor and partner countries to express views and provide guidance going forward. Throughout the day, it is suggested that views be shared on actions on efforts underway around global programs themselves, as well as complementary actions that need to be taken beyond the scope of global programs.

- Participants should share their views about the interplay of global programs and other forms of development aid. In what respect are global programs an integral part of the development agenda and instruments for providing global public goods?
- Which current efforts at the global program and country levels are improving integration between global and country programs? What more should be done across the spectrum of financing instruments at country level?
- Do participants agree with the need for and substance of the proposed Good Practice Guidance? What are views from participants from donor countries and partner countries, as well as from different types of organizations? What steps should be recommended to disseminate and implement good practices in advance of the 2008 High Level Forum on Aid Effectiveness in Ghana? (The Joint Venture on Monitoring of the DAC Working Party on Aid Effectiveness provides a forum for reviewing the application of the draft guidelines in the context of preparations for the High Level Forum).
- Within global aid architecture, what should be the balance between traditional multilateral and bilateral aid instruments and global programs? Can the complementarities between global and country programs be improved at country level and within the broader aid architecture?

WHAT ARE GLOBAL PROGRAMS?

A **definition of Global Programs** has been proposed by the World Bank's Independent Evaluation Group (IEG).⁹ This definition has been used widely and reflects both the multi-regional nature of these programs as well as their often innovative structures.

A Definition of Global Programs

Global programs are defined as partnerships and related initiatives whose benefits are intended to cut across more than one region of the world and in which the partners:

- Reach explicit agreement on objectives
- Agree to establish a new (formal or informal) organization
- Generate new products or services
- Contribute dedicated resources to the program.

Source: IEG, World Bank

Global programs are diverse. Global programs are diverse not only in their objectives, scale, and organizational structures, but also in terms of the core functions they provide as vehicles for international cooperation.¹⁰ These differences affect the capacity of individual programs to effectively link to country level actions. The programs that face the most difficult linkages are marked by relatively short time horizons, which may not provide sufficient time for adjustments between the programs and country's approaches; those that seek national policy reforms of significant depth, and those with a lesser degree of host country involvement, as opposed to activities arising out of a policy loop or give-and-take international cooperation. Clearly, programs that exhibit a stronger sense of ownership by developing country partners would be a counterpoint to those with the difficult characteristics.

Global programs targeted on development are the main focus of this work. For the purpose of the broader work on global-country linkages, the main global programs of concern have been those focused primarily on developing countries, and within that group, *the larger programs that have a significant "footprint" at the country level* in terms of funding or policy and knowledge impact.¹¹ Some

⁹ The definition was proposed as part of a major independent evaluation study of global programs concluded in 2004, *"Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs"* (www.worldbank.org/oed).

¹⁰ UNDP's Office of Development Studies has proposed a possible functional typology for global programs See *Managing National-International Alignment of Global Programs: Tools for Assessing the Risk of Vertical Linkage Problems*, discussion draft prepared for the October 5, 2006 meeting, Inge Kaul. Differences in types are driven by a number of factors, including the functional objectives of the programs; the nature of interaction between countries (are the programs, for example, inwardly or outwardly focused, or do they form a formal, hierarchical institution or a loose voluntary network); the duration of the planned interventions (short or long term or permanent); the nature of government involvement (is it entirely voluntary or fostered by external pressure); and the degree of action expected of specific countries.

¹¹ These programs of focus have been the Global Fund to Fight AIDS, TB, and Malaria (GFATM), the Global Environment Facility (GEF), GAVI Alliance (Global Alliance for Vaccines and Immunization), the

global programs are essentially investment funds while others promote upstream work (advocacy, studies, or technical assistance), that stimulates downstream investment funded by traditional sources of aid.

The Paris Declaration is the framework for the development community to work in partnership.

The Paris Declaration is structured around key principles of alignment, harmonization, and managing for results. When and how global programs that fund significant activities at the country level are introduced into country strategy work (including Poverty Reduction Strategies, budget frameworks and assistance strategies) and included in country based coordination initiatives and country operations is a key challenge, stated in the Declaration as follows: *“We commit ourselves to taking concrete and effective action to address the remaining challenges... iv. Insufficient integration of global programs and initiatives into partner countries broader development agendas, including critical areas such as HIV/AIDS.”*¹² The Paris Declaration has been signed by over 100 countries as well as international organizations and a number of global program governing bodies.

Education for All Fast Track Initiative (EFA-FTI), and the Consultative Group on International Agricultural Research (CGIAR).

¹² See Para. IV, the Paris Declaration.