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**INTEGRATING GLOBAL PARTNERSHIP PROGRAMS WITH COUNTRY-LED NATIONAL
PROGRAMS: SYNTHESIS OF FINDINGS AND RECOMMENDATIONS**

"WORK IN PROGRESS"

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ACRONYMS

| | |
|-------------|---|
| CCM | Country Coordinating Mechanism |
| CGIAR | Consultative Group for International Agriculture Research |
| DAC | Development Assistance Committee |
| EFA-FTI | Education for All – Fast Track Initiative |
| GAVI | Global Alliance for Vaccines and Immunization |
| GEF | Global Environment Facility |
| GF or GFATM | Global Fund to fight HIV/AIDS Tuberculosis and Malaria |
| GPG | Global Public Good |
| GP or GPP | Global Program |
| GHP | Global Health Program |
| GNI | Gross National Income |
| GOB | Government of Bangladesh |
| ICC | Interagency Coordination Committee |
| IEG | World Bank Independent Evaluation Group (formerly OED) |
| M&E | Monitoring and Evaluation |
| MDG | Millennium Development Goals |
| MMV | Medicines for Malaria |
| MTEF | Medium Term Expenditure Framework |
| ODA | Official Development Aid |
| PIU | Project Implementation Unit |
| PPIAF | Public-Private Infrastructure Advisory Facility |
| PRSP | Poverty Reduction Strategy Paper |
| RBM | Roll Back Malaria |
| UNDP | United Nations Development Program |
| UNEP | United Nations Environment Program |
| WSP | Water and Sanitation Program |

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Background Papers

(available separately, <http://wbln0018.worldbank.org/apps/cfp/gcl.nsf>)

- Bangladesh Country Survey
- Brazil Country Survey
- Ghana Country Survey
- Nicaragua Country Survey
- Niger Country Survey
- Tunisia Country Survey
- EFA-FTI Review Report (forthcoming)
- CGIAR Review Report (forthcoming)

INTEGRATING GLOBAL PARTNERSHIP PROGRAMS WITH COUNTRY-LED NATIONAL PROGRAMS: SYNTHESIS OF FINDINGS AND RECOMMENDATIONS

EXECUTIVE SUMMARY

1. **Global Programs¹ have increasingly become a key institutional instrument to help developing countries achieve the universally shared goals of delivering global public goods or to deliver targeted key services.** They have been conceived as a focused response to a global challenge requiring collective action to achieve results for health, environment, trade, finance, security, and other areas.
2. **However, the challenge remains for countries and donors to better integrate global and broad based country programs into coherent development strategies, country by country.** Ideally, global mandates and programs, and country based development activities should come together seamlessly at the country level, utilizing complementarities between the approaches. But, while that potential certainly exists, finding the right balance between global programs and country based activities, and linking them in coherent implementation, remains largely elusive.
3. **With the *Paris Declaration*, the international development community called for a common approach to better align global programs and country programs.** The co-sponsors of the Paris High Level Forum – OECD-DAC, the MDBs and UNDP – have taken up this challenge. Building on the work in the health sector, the intent is to search for cross-sector application, aiming for a generally applicable set of good practice guidance.
4. **This synthesis paper examines the alignment of global programs at the country level, reflecting the findings of seven country studies and the review of selected programs related to EFA-FTI and CGIAR.** The studies focused on *the larger programs that have a significant “footprint” at the country level* in terms of funding or policy and knowledge impact. These programs are the Global Fund to Fight AIDS, TB, and Malaria (GFATM), the Global Environment Facility (GEF), GAVI Alliance (Global Alliance for Vaccines and Immunization), the Education for All Fast Track Initiative (EFA FTI), and the Consultative Group on International Agricultural Research (CGIAR).
5. **The synthesis paper follows the general organization of the Paris Declaration principles, i.e. ownership, alignment, harmonization, results and accountability.** However, in laying the groundwork for a set of good practice guidance, the paper extends this framework to address selectivity and issues related to governance of global programs.
6. **There are large variations in the ability of global programs to align at country level and the outcome depends on the characteristics of the individual program as well as country conditions.** Each GP's mode of engagement has been shaped by the unique objectives (including donor motivations) that led to its creation, with varying degrees of complementarity to other aid programs and partner country ownership. A difference was observed among countries and the major programs, with the Education for All Fast Track Initiative seen as an example of a well-aligned global program; the Global Environment Facility as reasonably well-aligned; and the main global health programs still struggling to align and to improve harmonization of coordination mechanisms and communication at country level, but making significant progress e.g. HIV/AIDS “Three Ones.

¹ Global Partnership Programs (GPPs) are also referred to in this report as Global Programs or GPs.

7. **Alignment may be easier when the global program comes close to delivering a national public good, while the incentives for alignment are different when the program provides a predominantly global public good.** Programs with activities more closely linked to national development priorities can build a broader base of support, while the programs that face the most difficult linkages seek national policy reforms of significant depth, or have a substantially lesser degree of perceived host country benefits.

8. **While global programs present generally similar alignment challenges as multilateral and bilateral aid programs, there are also differences.** GPs implemented by multilateral agencies present harmonization challenges similar to those posed by country operations. However, for those GPs with distinctive models, targeted to selected sub-sectors, greater adjustments may be required. There are important distinctions among global programs and how they operate at the country level, and there are no simple, one-size-fits-all solutions.

9. **Successful programs have substantial ownership at the country level.** Ownership is the strongest when objectives and strategies are shared at global and country levels. Ownership and alignment challenges are generally greatest in highly ODA dependent low-income countries, due to more limited institutional capacity and the larger number of donors in these countries. Conversely, partner country lack of attention to global programs beyond the very largest funds was seen as a missed opportunity.

10. **Financial sustainability is a central element of global program success.** Predictability of finance was frequently noted as a concern, particularly in low income countries, and for programs where recurrent funding will be needed. However, for some programs, such as those that deliver medicines or vaccinations, complementary measures may also be needed in other areas to establish the conditions for the GP activities to have their intended long term effect.

11. **In sum, neither global programs nor country programs alone are a panacea to development assistance issues – they have to be conceived, designed and implemented in tandem.** GPs can be very effective in complementing multilateral and bilateral country programs to achieve a specific objective more effectively or efficiently.

- **A GP is only one alternative for addressing an emerging global priority.** Selectivity is required to reduce proliferation of new programs, increase efficient use of resources and forestall alignment problems at the country level.
- When the creation of a new GP is appropriate, it should be designed taking into account the full development landscape. Successful alignment is determined to a great extent by the quality of program design.

12. **Extension of the Paris Declaration principles to global programs through development of good practice guidelines is an appropriate way to proceed to improve alignment of global programs.** While the challenge of aligning global programs may be even greater than for bilateral or multilateral programs, a generally applicable set of good practice guidance, targeted to all donors (bilateral, multilateral, and private), global programs and partner countries, and linked to the Paris Declaration and its implementation and monitoring arrangements, could make a positive contribution.

1. Introduction

13. Mandate-specific global programs have long been part of the development architecture, frequently fulfilling a need to address specific global concerns, particularly related to the production of global public goods.² Designed to simplify the multitude of bilateral programs or to deliver key services more efficiently than country based programs, their growth in recent years has been remarkable. Global Programs³ have increasingly become the global institutional instrument to help developing countries achieve the universally shared goals of delivering global public goods (GPGs).⁴ They have been conceived as a targeted response to a global challenge requiring collective action to achieve results such as for health, environment, education, trade, finance, security, and other areas. Existing major programs include the Global Fund to Fight AIDS, TB, and Malaria (GFATM), the Global Alliance for Vaccines and Immunization (GAVI Alliance), the Global Environment Facility (GEF), the Consultative Group for International Agricultural Research (CGIAR) and the Education for All Fast Track Initiative (EFA-FTI).

14. Each GP has a unique origin rooted in the problem and circumstances that led to its creation. CGIAR was created in the 1970s from a recognized need to improve agricultural productivity and reduce hunger in developing countries. The GEF was created in the early 1990s to address key global environmental challenges that could not be addressed solely through country programs. The major global health programs were started in the second half of the 1990s in response to growing global awareness of the risks and adverse development impact of communicable diseases. GPs are often the result of cooperative, multi-stakeholder efforts, public and private, to achieve universally agreed goals and to provide the tools to achieve them.

15. **The trend seems to be in the direction of more global initiatives and global programs.** They are already key partners within the international cooperation architecture and contribute to achieving universal goals and complement significantly the international development agenda at country level.⁵ Because of their recognized importance in the delivery of GPGs at country level, they share with other traditional development aid institutions the same challenges for good performance, and are held to the same standards of efficacy and accountability.

16. **The challenge remains for countries and donors to better integrate global and broad based country programs into coherent development strategies, country by country.** Ideally, global mandates and programs, and country based development activities should come together seamlessly at the country level, utilizing complementarities between the approaches. But, while that potential certainly exists, finding the right balance between global programs and country based activities, and linking them in coherent implementation, remains elusive. This objective takes on greater importance in the context of

² For example, several UN specialized agencies have specific mandates on a global basis.

³ Global Partnership Programs (GPPs) are also referred to in this report as Global Programs or GPs.

⁴ GPGs are defined by the International Task Force on Global Public Goods as addressing “ issues (i) deemed to be important to the international community to both developed and developing countries; (ii) typically cannot, or will not, be adequately addressed by individual countries or entities acting alone, and, in such cases (iii) are best addressed collectively on multilateral basis”. While the notion of subsidiarity is implied by this definition, there are exceptions to this principle when national public goods (NPG) such as primary education are a component of the Millennium Development Goals.

⁵ Bilaterals are the principal drivers of GPs but international organizations are also present in great numbers. The World Bank, for example, is partnering in 110 global programs and 40 regional programs; UNDP in more than 40, WHO, FAO, and OECD in about 35 each; IFAD, UNEP, UNESCO and UNICEF in about 25 each. Foundations are also playing an increasing and substantial role with Gates Foundation, the main source of new money, participating in about 15 programs, Rockefeller in 12 and Ford in 8.

current efforts to increase the development effectiveness of aid, which places a premium on country ownership, achieving results and country based coordination and harmonization.

17. **With the *Paris Declaration*, adopted by the Paris High Level Forum on Harmonization and Alignment, in March 2005, the international development community called for a common approach to global programs at country level.** One key challenge is to decide when and how global/regional initiatives and 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. The Paris Declaration states in this regard: *“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.”*⁶

18. **Recent evaluations of major global programs in health have provided on-the-ground evidence of challenges in securing coherence and complementarities between country based development cooperation and global programs.** Several of these studies were prepared in connection with the High Level Forum on Health in December 2005. Building on these studies and the Paris Declaration, the High Level Forum on Health issued a draft set of *“Best Practices Principles for Global Health Partnership Activities at the Country Level.”* Many of these best practices appear to be applicable to global programs in other sectors.

19. **In late 2005, the co-sponsors of the Paris High Level Forum – OECD-DAC, the MDBs and UNDP – proposed to take up the challenge posed by the Paris Declaration regarding global programs.** They agreed to embark on work to identify ways and means for better alignment of global programs in-country, and to advocate for that alignment in the development community (developing countries, bilateral and multilateral donors, and global programs). While this work builds on the work in 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.

20. **The short-term objective is to improve the understanding of obstacles to alignment.** This understanding can lead to consensus in the development community -including the main global programs- for a set of Good Practice Guidance on aligned implementation of global programs at the country level. It is fundamentally an extension of the Paris Declaration to encompass GPs and build on the conclusions of the High Level Forum on the health Millennium Development Goals (MDG) to extend good practice guidance to Sponsors/Donors, GPs themselves, and Partner Countries. It attempts also to identify in the sectors studied - health, education and environment - good examples of implementation best practices as called for by the Paris Declaration and the High Level Forum on Health.

21. **As an important part of the effort to develop a consensus around good practices, the work of the initiative will be the focal point of a special international workshop in Paris on December 5, linked to the DAC Senior Level Meeting.** A separate meeting on global health programs, on December 4, will open the discussion. Ultimately, the initiative is aimed at changing the behavior of participants on the ground, in order to improve the development effectiveness of aid through a combination of global and country based programs. In this the approach is similar to that of the principles for global health programs and for fragile states.

⁶ See Para. IV, the Paris Declaration.

22. **This initiative adds to the body of knowledge through several supplementary country studies to assess implementation, integration and adaptation of global programs across sectors.** Considerable high quality analytical work on alignment has been done in the health sector, and a major independent evaluation of the World Bank's involvement global programs provides information on wide spectrum of programs.⁷ Education, environment and agriculture are receiving particular attention. Furthermore, the initiative is working in close cooperation with two major global programs – EFA-FTI and CGIAR -- to look in more depth at their experience with integration, adaptation and implementation in a country context.

2. The Approach

23. This synthesis report reflects the findings of seven country studies and the review of selected programs related to EFA-FTI and CGIAR. The Concept Note for the study is in Annex 1 of this report.

- The countries selected were Bangladesh, Brazil, Ghana, Nicaragua, Niger and Tunisia.⁸ This review is limited to sectors where GPs involvement is the highest, i.e. in health, environment and education. Less emphasis was given to health programs, in light of the considerable analytical work already done, on which this initiative builds. It is supplemented by less comprehensive analysis of environment and renewable energy projects supported by the GEF in other countries such as Algeria, Egypt, Jordan, Morocco and Yemen.
- The country studies were based primarily on interviews of government officials, global program sponsors' representatives at global and country levels, managers and stakeholders for each program, and representatives of bilateral and multilateral institutions present in the countries surveyed. The EFA-FTI and CGIAR studies were fundamentally desk reviews. The lists of people met are in corresponding annexes to the respective country reports (available separately).
- The template in Annex 3 provides an extensive list of questions and issues explored in the interviews, informed by the challenges already identified by earlier research on GHPs and independent evaluation of their performance. The questions concern issues of (i) ownership and alignment to the country's own development agenda and systems; (ii) country leadership in program execution and coordination; (iii) sustainability and predictability of financial flows and the modalities of their disbursement; and (iv) GP governance and capacity to achieve results through planning and budgeting, procurement policies and procedures, transparency and accountability, and result oriented monitoring and evaluation systems.

24. **The sample of countries represents a good variety in terms of level of economic development, size of population, and intensity of ODA and GP engagement.** Some countries are more ODA-dependent and benefit from diversified external assistance involving budget and investment financing. Others are less ODA-dependent and use external support more as a catalytic tool to spearhead pilots in critical development areas. The analysis considered whether the size of economies and their ODA dependence influence partner-countries interaction with GPs in terms of ownership, harmonization, sustainability, and achieving results. It differentiated countries by their level of income (low or middle-income) and their dependency on ODA. ODA dependence was assumed when ODA is in excess of 3 percent of GNI, a threshold beyond which external resources are often deemed to be critical. The diagram below shows the general classification of the list of the countries surveyed and Annex 2 contains further details.

⁷ See *Addressing Challenges of Globalization: An Independent Evaluation of the World Bank's Involvement in Global Programs*, 2004, Independent Evaluation Group, the World Bank.

⁸ A partial review was also done of global programs in Kenya.

Country Income and ODA Dependency Levels

| | | | |
|------------------------|--------------------------------|-----------------------------|--------------------------|
| <i>Emerging Market</i> | | | Brazil |
| <i>Middle Income</i> | Jordan | Egypt Morocco Tunisia | Algeria |
| <i>Low Income</i> | Ghana Nicaragua Niger | Bangladesh Yemen | |
| | <i>High ODA Dependency</i> | <i>Low IDA Dependency</i> | <i>No ODA Dependency</i> |

25. The synthesis paper follows the general organization of the Paris Declaration principles, i.e. ownership, alignment, harmonization, results and accountability. However, in laying the groundwork for a set of Good Practice Guidance, the paper extends this framework in two respects. First, it begins with a section on selectivity, in recognition that the major focus of the Paris Declaration and the health sector work has been on existing programs, and that this initiative seeks to influence decisions on future global programs as well. Second, issues related to governance of global programs are also addressed, as was done in the draft principles for health sector programs. The paper attempts to frame the major issues posed by global programs at the country level and suggests how they might be addressed.

26. **GPs attract resources from multiple stakeholders, public and private, yet consensus on their objectives is not necessarily supported by the same shared approach.** Partners may differ on the best way to resolve issues, delineate comparative advantages and leverage their special knowledge to address problems, coordinate actions and harmonize strategies to achieve results. In some programs, there may be no explicit joint responsibility for sharing costs and risks. The disconnection between consensus on objectives and differences on operational approaches may influence performance and long-term sustainability of programs. As indicated above, this synthesis report attempts to broach these issues of effectiveness through an exploration of countries' ownership of global programs, harmonization and coordination of actions, financial sustainability and predictability at country level and concern for achieving good governance, results and accountability.

3. Selectivity

27. **A new GP is only one alternative for addressing an emerging global priority. Selectivity needs to be exercised with GPs, as with other aid modalities.** While the primary focus of the Paris Declaration is on ongoing activities, the analysis of GPs should also consider how the response to a new perceived need can be designed to minimize the harmonization challenges at the country level. In this respect, it would be sensible at the outset for the sponsors of a potential new initiative to analyze first whether the problem they seek to address can be solved through existing mechanisms, including both country programs or existing global programs. Sponsors might think twice before establishing a new program, in order to consider the additional coordination issues that might be generated.

28. **Setting clear objectives upfront can help reduce the proliferation of new GPs.** The clarification of objectives for a prospective GP can enable sponsors to determine if the objectives could be accomplished through an existing GP or through country operations. The clarification of objectives could also lead to greater selectivity through consolidation and streamlining of actions and most likely would have a positive effect on transaction costs for donors as well as for recipient countries. The selectivity

recommendations of the World Bank's IEG evaluation of global programs, and subsequent World Bank strategic framework on global programs, are examples of institutional attempts to strengthen selectivity⁹.

29. **GP program design can help forestall alignment problems at the country level.** Should a decision be made to proceed with launching a new initiative, then substantial effort should be placed on the design process, including through a broad range of consultations, to ensure that the linkages at the country level will be constructive. As shown by country studies, from Bangladesh to Nicaragua, differences in program design make a huge difference for coordination and harmonization. EFA-FTI rates well in terms of alignment and harmonization due to the strong link of funding to broadly endorsed education sector strategies.

30. **The GP design process should include an assessment of related initiatives and consultations with partner countries.** Experience has shown that while consensus is usually strong among donors in defining GPs objectives for provision of public goods, agreement on approaches and modalities to deliver such objectives is less firm and the active participation of partner-countries is usually missing.¹⁰ Before the establishment of a new GP, there should be a systematic evaluation of the GP landscape to determine if other programs are engaging in related activities. This would promote selectivity and better focus the objectives of a new program to promote synergies and to leverage as much as possible the activities of these other programs.¹¹ In addition, at the country level, shared global program and country objectives should normally be reflected in the national PRS or an equivalent national or sector plan.

31. **While the selectivity challenge for donors and international organizations is to think twice before establishing a new program or a fund, the selectivity challenge for partner countries is to be more aware of available programs, in order to be able to select sensibly.** The country studies in general indicate a low level of awareness of available options, with the exception of Brazil, which actually has been active in the promotion side as well. The experience of CGIAR, as pointed out in the CGIAR program study, indicates that lack of awareness of promising new crop varieties has led to loss of opportunities for countries with severe food security problems. A difference in motivation for selecting global programs was also observed between the surveyed middle-income countries (Brazil and Tunisia), which selected programs for their catalytic effect, and the low-income countries (Bangladesh, Kenya, Ghana, Nicaragua), which primarily looked to global programs as sources of finance.

4. Global Programs Ownership and Alignment

32. **Program ownership at the country level is a joint product of global and country level decisions and activities.** Ownership is reflected by the degree of commitment that donors and partner-countries have for a given program and the specific activities of that program in the partner country.

⁹ There are a few GPs evaluation methodologies proposed in working papers for discussion: e.g. Appraising Global Partnerships – A Methodology for Improved Selectivity by the GPP Group World Bank February 20, 2006; Managing National- International Alignment of Global Program: Tools for Assessing the Risk of Vertical-Linkage Problems, discussion Draft Paper by Inge Kaul August 2006

¹⁰ Addressing the Challenges of Globalization The World Bank IEG/OED 2004.

¹¹ Independent evaluations of GPs have taken place on a routine basis, but only a few systematic reviews of GPs landscape have taken place, e.g. Addressing the Challenges of Globalization the World Bank OED 2004; Assessing the Impact of GHPs by Karen Caines DFID 2004; Mapping Global Health Partnerships, by Cindy Carlson, DFID GHP Study Paper 1. Global Health Partnerships: Assessing Country Consequences, McKinsey & Co, November 2004. Refer also to footnote 8 above.

Commitment is measured by the coherence of GPs objectives with those of national plans and the linkages that may exist between the strategies to achieve well-defined and measurable corresponding goals.

33. **Ownership is also a function of the degree of convergence of objectives between the country and the program, as well as the alignment of GP policies and procedures to country systems.** Ownership requires a legitimate force driving the program at country level, such as a government ministry, a public or private implementing agency, program stakeholders etc. However, it should be recognized that there can be numerous legitimate stakeholders in a program at country level with differing interests, creating tensions between claimants to steer the program in different or competing directions.

(A) Global Level Alignment of Objectives and Strategies

34. **To enhance partner countries' sense of ownership of global programs, they should be more involved in the global aspects of these programs.** There is a strong belief among partner-countries that mainly donors and the staff of international organizations drive global objectives. The perception, as reported by the surveys, is that global objectives are more priorities of constituencies in donor countries to which GPs are accountable rather than a fair reflection of countries' needs as expressed by stakeholders and national development plans in partner-countries. To the extent this is the case, it may result in passive participation of local entities in programs and projects execution. For example, the Nicaragua country survey for GEF reported weak exercise of leadership in coordination, sustainability of funding, and exercise of fiduciary responsibilities. Brazil, on the other hand, had been involved in the global dialogue on the issue at hand and had influenced the global action decided.

35. **Perceptions about global programs matter at the country level.** The partner-countries have uneven degrees of knowledge of even the largest GPs, including the scope of their mandates, the details of their policies and the structure of their governance. Better public dissemination of GP roles and responsibilities, as well as policies and procedures should help correct these misconceptions. The Bangladesh country study concluded, for example, that there is little evidence of strong country ownership of global program objectives and activities. Given the high marks EFA-FTI receives on this score, it should be noted that FTI is not present in Bangladesh.

36. **Perceptions regarding the role of the major GPs affect their ability to act in country.** In Ghana, for instance, there is a view that relatively too much emphasis is given by the GFATM to HIV/AIDS at the expense of TB because of the level of priority given by donors to HIV/AIDS (despite the fact that GFATM responds to proposals formally submitted by the country). Statistical data, on the other hand, do not seem to support such an assertion. True or false, however, perceptions remain as potent as reality in affecting ownership and the conduct of business in general. Also in Ghana, there is a reported perception that the climate change aspects of projects need to be played up to secure GEF funding. Senior officials in partner-countries consulted (Bangladesh, Brazil, Ghana, Tunisia and Nicaragua) have also voiced concern for the crowded and fragmented landscape of international assistance in critical areas and complain of the congested landscape of GPs.

37. **In some countries, the GPs are not distinguished from the lead agencies that implement their activities.** They regard some programs as those of the implementing agency rather than those of the GP concerned. This perception may be source of misplaced accountability and cause of reputational risks for the GPs as well as their implementing agencies. In Tunisia and Ghana for example, national and local officials involved in GP projects tend to regard GEF programs as those of the World Bank, UNDP, or UNEP because of the role played by these institutions in the design, preparation, appraisal, implementation and oversight of these programs. The same is true for GAVI, which is some time seen as a UNICEF agency because of its involvement with vaccinating the children, and Stop TB, a subsidiary of WHO because of the prominent role of this institution in the tuberculosis prevention and treatment. The same

gaps have been noted in the case of the GEF portfolio in Costa Rica. The concentration of roles in one single institution raises important issues of conflict of interests besides blurring the foci of responsibility and accountability.

38. **Ownership of the fundamental objectives of the global program by local stakeholders, government through a central or local authority, or private stakeholders can make a difference.** In Brazil, activities of environmental programs such as the Montreal Protocol, to which Brazil is a signatory, were implemented very effectively with full cooperation from the government. In addition, the activities of certain GPs in Brazil have contributed to changes in national strategies; in essence the level of ownership of the objective was enhanced by the activities of the program. It should also be recognized that in sectors such as environment, the degree of ownership and support for the activities of a particular GP may vary among government ministries and different interests in the society. Ensuing tensions may impact program implementation positively or negatively depending on the ability of stakeholders concerned and the GP itself to reach strong enough consensus on policies and on the modalities of program execution.

39. **Involvement of partner countries in GP creation and design would set the stage for better ownership of country level activities.** The prerequisites for alignment of strategies and systems at country level suggest the value of including partner-countries in the early stages of creation of GPs. Their association early in the process should help sharpen priorities in line with country needs. Thus a better-informed decision-making process should increase legitimacy of new programs without reducing their accountability and ability to achieve concrete results on the ground.

40. **To strengthen ownership program, sponsors should find ways to consult partner countries on GP objectives and activities, while maintaining manageable governance arrangements.** The challenge for the donor community is to decide on the modalities of bringing in partner-countries at the early stage of the formation of a GPP. Subsequently, the wider fora of founders will need to define the rules for the selection of governing bodies' members on the basis of transparent criteria without creating unmanageable and ineffective governing bodies.

(B) Country Level Alignment of Objectives and Strategies

41. **Alignment of GP activities with national development strategies is essential for effective implementation, but it varies widely depending on the program.** There is a significant variance among GPs in the extent to which the allocation of resources and principles of engagement at country level take into account national development strategies and interventions of other donors. Assessment is limited of respective GP and partner-country agencies expected roles and impact of programs on macro and sector management. But alignment also requires attention by the partner country to its own development strategy preparation, where the country surveys indicate that treatment of global programs is largely absent. One or two may be mentioned (e.g. GEF only in Bangladesh), but in a cursory fashion and normally only as a financing vehicle. None of the national strategies in the countries surveyed had a comprehensive treatment of global program opportunities or obligations.

42. **GP endorsement of a national strategy as a precondition to country level assistance is an effective tool for strengthening alignment.** In EFA-FTI's country activities, the program is sizable in relation to the overall country budget and investment programs in the education sector and engagement is based on a clear national strategy endorsed by the GP.¹² Alignment is also relatively strong when GPs' projects are strategic building blocks to achieve national goals, for example meeting commitments under international conventions such as the Montreal Protocol. Specific cases illustrating these different situations are discussed in the following paragraphs. Alignment of the GP may also be enhanced in low-

income countries by its sizable contribution to the sector it supports or the budget. This has been the case for GEF in Bangladesh, Ghana and Rwanda

43. **A GP can contribute to developing a sector strategy, which builds ownership for the program and results in good alignment.** In the Tunisia example, GEF projects implemented by the World Bank or UNDP are solidly anchored in sector wide national strategies that have helped legitimate them, integrate their approach to local systems, and ensure sustainability and achievement of results in the long run. Moreover GEF programs are normally piggybacked by projects supported by their implementing agencies or other donors. The same relevance and alignment of GEF programs have been noted by the evaluation of GEF portfolio in Costa-Rica.¹³ The Bangladesh country study, on the other hand, noted the absence of such contribution to the sector strategy.

44. **Smaller programs that do not provide substantial funding at the country level present a different alignment challenge.** A number of GPs remain unnoticed because of their size and lack of perceived legitimacy. They end up deploying strategies independent of those of central government or of better-established GPs, such as those reviewed under this study (GFTAM, GAVI, GEF, EFA-FTI and CGIAR). In Kenya, however, the small programs surveyed (WSP, PPIAF) were seen as well aligned with government strategy and in fact underpinning it to the extent that they are implemented by well established international development agencies in the country (World Bank, UNDP...).

(C) Policies and Procedures Alignment to Country Systems

45. **Country ownership is strengthened when the procedures of the GP are well aligned to country systems.** In addition to the alignment of GP objectives and strategies to those of the countries they support, ownership is enhanced by the alignment of GP's policies and procedures to the country systems. But, as pointed out by Alexander Shakow in his study of the relationship between the World Bank and GFATM, there are significant weaknesses in both the alignment of individual actors and in the collective alignment of actors working in the same sector.¹⁴

46. **Harmonization and alignment of policies and procedures at country level should be agreed to at preparation stage of country programs and be specific to the needs of the country supported.** They should be part of an appraisal process that includes evaluation of country sector strategies and their funding through domestic and external sources; absorptive capacity in terms of institutional and management capabilities; program management structure and staffing; programming and budgeting systems; financial management, procurement, internal audit procedures; and independent monitoring and evaluation systems.

47. **The alignment to country systems in countries surveyed is uneven.**¹⁵ Systems alignment is (predictably) almost total for programs where government leadership at the sector and implementing agency levels is strong and when the application for support to the GP is genuinely driven by well articulated sector strategies and a good understanding of financial, technical and management needs. As noted earlier, the middle-income countries (Brazil, Tunisia) in the survey experienced fewer problems with alignment with country systems than the low-income ones.

¹³ *GEF Country Portfolio Evaluation – Costa-Rica (1992-2005)* GEF Evaluation Office

¹⁴ *Global Fund-World Bank HIV/AIDS Programs Comparative Advantage Study*, by Alexander Shakow, January 2006. and *Global Health Partnerships: Assessing Country Consequences*, McKinsey & Co, Nov.2004.

¹⁵ Alignment is uneven for different GPs within the same country (Brazil, Bangladesh, and Nicaragua) and for the same GP in different countries as for example for GEF in Nicaragua and in Tunisia.

48. **The alignment of programs implemented through project implementation units (PIUs) is particularly challenging and frequently criticized.** Such situations, if not carefully calibrated, may later pose serious challenges of sustainability. This is more likely if the project implementation units (PIUs) are outside normal government institutional structure, not accountable to country technical departments or agencies, and are funded and staffed by external funding agencies on a salary structure exceeding normal civil service schedules. These parallel PIUs established at the request of and funded by external agencies are often accountable primarily to them. Several country studies raised the same type of criticism as earlier made in the McKinsey study of global health programs of the alignment issues related to PIUs, also echoing the earlier IEG evaluation of global programs.¹⁶ The problem of parallel PIUs is a common challenge as well for programs supported by bilateral and multilateral donor agencies operating at country level. It should be addressed by GPs and development agencies alike deliberately along principles of institution building and their gradual integration to country systems in the medium term.

49. **Donor-imposed implementation arrangements tend to occur most in countries with high ODA dependency.** Supply driven situations, where donors and GPs try to implement a global priority at country level without consideration of national stakeholders preferences, is more likely to occur in fragile states with low-income, weak institutional setting and high ODA dependency. To achieve short-term results and meet accountability standards of the donors, GPs have the tendency to substitute their own policies and procedures to compensate for the institutional and investment gaps of the countries they support. Niger, Sierra Leone, Liberia may fall under this scenario. In the long run, however, the tendency to substitute roles and responsibilities because of gaps in absorptive capacities will increase the institutional dependency and problems of long term sustainability. This risk should be mitigated by including in the program provisions to work with other partners on complementary capacity building components.

50. **These problems tend to be less prevalent in the GP activities in middle-income countries.** In middle-income countries surveyed (Brazil and Tunisia, with a more limited analysis of Algeria, Jordan, Morocco and Costa Rica), GP interventions generally have a more catalytic “pull-effect.” The programs provide support to prepare wider scope national programs or projects. GPs intervene on a pilot basis to lay the groundwork for an expanded program to address a high priority in the national development agenda. The PIUs are integrated into the national institutional structure and are accountable within it. They are funded through the administrative budget and are staffed accordingly on the salary scale prevailing in their agency or institution.¹⁷ With demand driven support, partner-country institutions are often engaged throughout the program implementation process, minimizing functional duplications and sustainability risks, and improving significantly the chances to achieve results in the medium and long term.

51. **Parallel implementation systems accountable to the GP rather than the government do not build national capacity or promote medium term sustainability.** The use of parallel systems is not limited to fragile states. In Bangladesh, for example, where program execution arrangements vary from one program to another, the Save the Children Fund (SCF), the Management Agent for the Global Fund grants for HIV, operates independently from government although it reports on progress to the Ministry of Health and the Global Fund at the same time. A Local Agent appointed by the Fund independently performs the audit and, like SCF, the executing agency, it is more accountable to the Global Fund than to the partner-country institutions concerned. There seems not to be any deliberate plans to build national capacities for medium term sustainability and better integration to local systems for the future. The reasons invoked for this gap are the scope of the mandate and lack of necessary funding to build capacities.

¹⁶ . *Global Health Partnerships: Assessing Country Consequences*, McKinsey & Co, Nov.2004.

¹⁷ Tunisia Country Survey, July 2, 2006- pages 3 and 4 and Brazil Country Survey September 2006- pages 5-

In the other low-income countries surveyed (Ghana, Kenya, Nicaragua), parallel systems were also observed.

52. **Complex GP implementation arrangements can compound the difficulty of integrating with country systems.** GFATM TB in Bangladesh is implemented by two principal recipients, the government Ministry of Health and BRAC, which leads a consortium of NGOs. WHO executes the program on behalf of the government. The proliferation of actors in TB programs raises issues of transaction costs due to duplication of efforts and fragmentation of services. It also creates tensions due to unhealthy competition and raises issues of conflict of interests created by the multiple roles played by one of the implementing agencies, operating at the same time as program implementer and TB program overseer. In contrast to this parallel and fragmented approach, GAVI in Bangladesh operates an expanded program of immunizations that seems to be fully integrated with the government health immunization system. Instances of duplication and parallel functioning of GP policies and procedures exist in other countries surveyed including Ghana and Nicaragua. Descriptions of such duplications are discussed in the corresponding country surveys.

53. **Absorptive capacity and governance are key to the design of arrangements to deliver GP objectives at the country level.** In addition to the explicit prerequisite of an anchor to national and sector strategies, issues of absorptive capacities and governance structures need to be evaluated to design the best adapted institutional arrangement to deliver GP objectives at country level. In low-income countries, regardless of the level of ODA dependency, GP support is sought mostly when they contribute a significant proportion of the sector investment program. In Bangladesh, for example, where GAVI and the GFATM contribute together 7.5 percent of external support to the Ministry of Health and Family Welfare's Health, Nutrition and Population Sector Program (HNPS), their activities are noted in the HNPS annual budgets. However, they are not noted in the PRSP or in the MTEF, unlike GEF. The reason for this difference of treatment is likely to be the better integration of GEF policies and activities with local systems. This is also the case for environmental and renewable energy projects reviewed in Tunisia and the two other Maghreb countries.

54. **GPs should be careful in shifting or expanding their mandates in ways that adversely affect the alignment of activities at country level.** To maintain the flow of support from donors, GPs have some times shifted the emphasis of their programs to include areas not foreseen in their initial mandate. For instance, UNAIDS and RBM have expanded their functions beyond advocacy and finance to technical assistance and institution building. The same is true for GFATM, GAVI and CGIAR, which are giving more attention to technical assistance and system support at the country level. While such an evolution of scope is legitimate when it results from a changing external environment or lessons learned from practice, it is less compelling when prompted by the objective of maintaining donor support.

55. **Creeping mandates are also more prone to create overlaps with other programs and less coherence in the overall pattern of assistance.** Uncoordinated reorientation of services to areas for which GPs are not sufficiently equipped is most likely to affect efficiencies, economies of scale, and transaction costs at global and country levels.¹⁸ Unintended overlaps, unhealthy competition, and incoherent approaches may result across sectors in the management of development aid. Donors and multilateral organizations should consider these potential implications before engaging GPs in new activities. This assessment should be made periodically and various options and alternatives reviewed to ensure efficient and economic delivery of services.

¹⁸ See Shakow report.

56. **Systematic consideration of program scope and implementation arrangements at the point of inception, through a structured coordination process, is the key to avoiding problems of duplication and poor alignment with country systems.** To minimize the problems of duplication of functions, overlap of activities and institution of parallel structures, donors, partner-countries, and GPs need to agree at program inception on all aspects of implementation arrangements. The process should promote country leadership and institution building. Such objectives are attainable through harmonization and coordination of actions by all those involved in the programs, i.e. sponsors/donors, GP partner-countries, and stakeholders in civil society such as NGOs and Foundations. Indicators to achieve such results need to be systematically established, applied and consistently monitored.

5. Sustainability and Predictability of Finance

57. **Sustainability and predictability of funding GPs depend on the performance of both donor and partner countries.** For partner countries it means mainly good planning and budgeting for an efficient and steady use of resources to achieve priority goals beyond the funding period of a GP. For donors, it involves their ability to commit resources for a long term, much beyond their normal budget horizon. For nonprofit organizations, like global partnerships, this may require obtaining flexibility to allow them to commit funding before actual encashment of commitments received and perhaps beyond the long term commitment of funds by their donors. The innovative funding instruments such as the air travel tax, bilateral and multilateral debt relief mechanisms, arrangements under the Prototype Carbon Fund, or Advanced Market Commitments (AMC) may help improve the steady flow of resources. In Kenya and Ghana, while there were concerns about the sustainability of finance from GFATM and GAVI, after the four to five years of allocation, it was also noted that this level of certainty is higher than for much bilateral and multilateral aid.

58. **Sustainable funding mechanisms should be encouraged and developed to provide continuous and predictable long term resource flows to fund the MDGs and global public goods.** To ensure judicious and efficient use of resources, funders may have to develop an explicit resource allocation policy to funding outlets at country level consisting of GPs and other traditional aid agencies. Such allocation would be determined by performance and effectiveness, and will take into account the scope of respective mandates and the nature of respective activities.

59. **GPs also need more flexibility to provide funding at the country level alongside other donors.** Besides funding at the global level, GPs should be able to diversify and adapt their funding modalities to particular country contexts and program or project needs. Programmatic financing and budget support are not used yet by GPs in countries surveyed, despite the presence of programmatic funding by bilateral sources and international financial institutions such as the IMF, the World Bank and other multilateral agencies. Judicious leveraging and inter-agency pooling of resources may provide added impetus to deserving programs supportive of far reaching reform initiatives by governments when needing substantial additional budget support. A closer coordination of strategies and closer involvement of GPs in sector reform agendas may facilitate GPs pooling resources with traditional bilateral and multilateral providers of aid.

60. **GPs can also improve their procedures for allocating adequate funding to individual projects.** Because country allocation of resources by GPs is not always based on criteria related to needs and performance, projects or programs do not always secure all their funding requirements in advance. Funding decisions for GEF projects, for example, are made too often very early in the project preparation stage and their amount is decided primarily on the basis of GEF prior country allocation of available

resources. Such an approach, which is not closely linked to the estimated detailed cost of a project, is bound to result in financing shortfalls that the government may have difficulty assembling on grant terms.¹⁹

61. **Problems of sustainability and predictability of funding for the countries surveyed are closely linked to partner-countries ability to manage effectively the resources available to them.** The problems are related to gaps in planning for the medium and long term and the elaboration of a comprehensive MTEF (Ghana, Rwanda, and Nicaragua). There can be an implicit assumption that funding would somehow be forthcoming from the same or alternative external sources when the ongoing financing is exhausted. Such perception is not realistic in a context of finite resources, but it remains widespread, in part due to coordination gaps between GPs and traditional sources of funding.

62. **In the case of less ODA-dependent middle-income countries, the problem of funding sustainability and predictability does not arise to the same extent.** Many programs are carried out on a pilot basis. The investments concerned are relatively small in proportion to executing agencies overall budgets and easily provided for when needed.

63. **Finding modalities to ensure that investment and recurrent costs are funded after the GP intervention period is over remains a challenge.** In the case of renewable energy projects in Tunisia, the government took the necessary legislative steps to maintain the provision of subsidies and support to investors on renewable energy.²⁰ In Bangladesh, efforts have been made by government to introduce on a pilot basis a three-year Medium-Term Budgetary Framework to cover expenditures in six ministries in FY 2006-07, provided that they are explicitly linked to the PRSP results matrix. This innovative approach is a first step in developing and institutionalizing strategic budget planning approach in key sectors of education, health, environment, and local government.

64. **In sum, the problems of sustainability and predictability of funding have to be addressed at three levels: the donors, the GP, and partner-countries.** Solutions require flexible funding terms, adaptability to country circumstances, diversity of financing instruments, and good governance by GP and partner-country institutions with regard to financial management. Funding predictability may also raise the question whether two-three year replenishment cycles adequately match the need for long-term continuity of support and flexibility to achieve targeted goals at country level.

6. Harmonization and Coordination

65. **GPs present new and different coordination issues at the country level.** The substantial growth in the number of global programs, including several that provide substantial amounts of funding, has contributed significantly to the ability of the international community to provide global, regional and national public goods.²¹ Yet the activities of these programs also greatly enhance the challenge of harmonization at the country level. In several sectors, including health, there are programs with overlapping mandates, and the modes of operation of some programs have at times been inconsistent with national development strategies and processes

¹⁹ See the cases of Egypt 2G Solar Thermal project; Djibouti Power and Water Development Project, Morocco Solar Based Power in Tunisia Country Survey page 7.

²⁰ See Tunisia Country Survey page 7 Foot Note 12 re Prosol Program., and the section on Sustainability and Predictability of Finance in page 9 of the report

²¹ See for example, McKinsey report on global health programs and DfID's guidance on working with global programs.

66. Harmonization is a first step to achieving effectiveness. Country ownership and leadership can be exerted through effective coordination and harmonization of actions in programs implementation. The objective of coordination is to realize economies of scale, reduce transaction costs, and focus joint efforts in an effective and agreed division of labor between all stakeholders, including donors and beneficiary countries. Harmonization is fostered by a well articulated policy framework to which GPs can contribute within a clear division of labor among stakeholders and utilizing good mechanisms for coordination. The country survey findings are mixed regarding coordination and harmonization, and success depends on a number of factors. The first prerequisite is strong country ownership supported by well-articulated sector strategy and MTEF that provides a framework for the programs or projects supported by the GP. The second is a clear and accepted definition of roles and division of labor among stakeholders. The third is the availability of sufficient funding for coordination activities including reporting systems, organization of meetings and exchange of information.

67. **Coordination mechanisms need to be broadly based, including key GPs and in certain cases NGOs.** The study of the 2004-2005 food crises in Niger²² demonstrated that established coordination mechanisms that are not inclusive of all stakeholders including NGOs, such as in this case “Doctors Without Borders” (Médecins Sans Frontières, or MSF), may not reflect a sufficiently broad consensus. MSF, with the support of public opinion and international media, succeeded in obtaining food distribution policy changes and reform in the composition of a well-sited coordinating mechanism comprising government agencies and donors. The outcome was possible because the proliferation of food distribution initiatives outside the official system disturbed the normal channels and resulted in serious distortions of prices of staples in the food market. Moreover, political tensions within the executive branch of the government and dissensions within the donors’ community of the National Coordinating Committee made essential the restructuring of the national coordinating mechanism to bring in all stakeholders including NGOs. But, as observed in the Brazil study, reaching out to interests beyond the traditional government-donor circles is much more challenging, but also more rewarding. Furthermore, as seen with some global health programs, fitting global programs that have established coordination arrangements that include civil society into donor-government only sector coordination arrangements may be difficult.

68. **Coordination mechanisms should support an agreed sector strategy and strive for inclusiveness.** The lesson learned from this experience is the importance of an inclusive process in any coordinating mechanism, both to reflect the needs of all concerned and to create sufficient legitimacy and consensus to achieve results. Coordination should also be underpinned by a solid “domestic” sector strategy to serve as a reference point for all development initiatives (including emergency situations such as the food crisis in Niger). None of these two prerequisites was met in this particular case. But, in Kenya, Ghana and Nicaragua, EFA-FTI was particularly praised for support of sector strategy and full alignment.

69. **GPs should be integrated into sector coordination mechanisms, rather than drive the creation of new coordination arrangements.** In Bangladesh, the National AIDS Committee is relatively inactive and the GFATM Country Coordination Mechanism (CCM) remains the predominant HIV/AIDS coordination instrument. It is chaired by the GOB Ministry of Health. For GAVI, coordination is carried out by its Interagency Coordination Committee (ICC). Both coordinating mechanisms are established as a prerequisite to funding by the respective GPs. This externally decided requirement can bypass existing national coordinating arrangements in the sector, even when the external coordinating mechanism is chaired by a national authority like is the case for the GFATM CCM in Bangladesh. This kind of arrangement indirectly undermines country leadership, particularly when GP funding is relatively important for the sector. Composition of coordinating mechanisms varies. GAVI’s ICC, for example, has less civil society participation than GFATM’s CCM. In Ghana, these two GPs’ dedicated coordinating

²² See “*Integrating Food Aid Programs to Development Policies in Niger: The Food Crisis of 2004-2005*”, by Dorothee Chen for Agence Française de Développement (AFD) July 26, 2006.

mechanisms, particularly the GFATM's CCM, have been criticized by donors and government alike for duplication of existing national systems. Similarly, in Nicaragua a parallel structure for management of GEF projects was noted.

70. **Strong government capacity is essential to enable countries to integrate and manage the activities of GPs.** The challenge of country leadership is real in all vertical programs. The responsibility to manage programs and exert leadership tends to rest not with the political leadership, but with national executing agencies. This is hard to achieve from the outset when these institutions are weak and the resources available to them are too limited. Delegating the management function to an implementing agent may be a workable measure if done in the context of an explicit plan to build capacity and phase-out the arrangement over a reasonable period. The Ghana survey noted that while government is strengthening its ownership of global programs, significant capacity gaps exist and hamper ownership.

71. **Where harmonization of GP activities is poor, the transaction costs of program implementation are high.** Coordination has a direct impact on transaction costs particularly when harmonization and streamlining of information exchanges is not effective. In all countries surveyed complaints were made regarding redundancies and overlaps of reporting systems, procurement policies and procedures not aligned to national guidelines, and uncoordinated field visits by donors (confirming the finding by other reviews, particularly in the context of the Global Forum on Health of November 2005.)²³ In Ghana, for example, multiple coordination arrangements for HIV/AIDS alone were noted by the country study.

72. **GPs should be pro-active and work with other donors in trying to minimize transaction costs and strengthen coordination as part of the design of country programs.** An assessment of coordinating capacities should take place during appraisal of the country program. Measures to build executing agency capacity in this regard should be an integral part of the support provided by the GP and should be treated with the same scrutiny as the evaluation of fiduciary systems and technical capacity. GPs and other donors' partners along with government should agree on a single simplified standard reporting and review system that helps reduce transaction costs and improve effectiveness of coordinating mechanisms.

7. Governance and Managing for Results

73. **There is no generally accepted standard for governance arrangements in GPs.** A better articulation of GP governance and operating principles is needed to outline the respective roles of governing bodies and managers of programs; those of managers and implementing agencies; and those of managers and the hosting agencies. A well-structured definition and separation of roles will strengthen transparency and accountability and facilitate harmonization of policies and strategies at the country level. The call for universally accepted standards for good governance in global programs was one of the main recommendations of the IEG evaluation of global programs in 2004.

74. **GPs have a wide range of governance and implementation arrangements, with host agencies often playing multiple roles in the partnerships.** There is no single GP governance model to follow. Partnerships have diverse governance structures. They may be independent legal entities with independent governing bodies and their own management structure, such as in GFATM, MMV, IAVI and UNAIDS. In such situations, GPs apply their own policies and procedures mostly through delegated representation at country level. Other partnerships are more or less informal associations of partners without legal status. They may be governed by representatives from donor institutions, partner countries, private foundations and members of civil society (e.g. GAVI, RBM, and Stop TB). In these cases, day to

²³ GHP Assessing Country Consequences. McKinsey & Company, November 2005

day operational functions are discharged by a secretariat hosted by an international organization such as WHO for RBM and Stop TB, UNICEF for GAVI, and the World Bank for GEF, CGIAR and EFA-FTI and others. The hosting agencies play often the role of an implementing agency and therefore apply their own management policies and procedures to the programs they implement. Such situations may blur the levels of responsibility, raise situations of conflict of interests, and result in complex accountability for GPs as well as for hosting institutions. The risks involved would need to be made transparent to achieve clearer delineation of respective roles and responsibilities in global partnerships.

75. **Good governance with accountability is a prerequisite for achieving results from GPs.** It begins with a clear articulation of objectives and expected outputs, outcomes and impact. It requires an explicit and public assignment of roles and responsibilities for all intervening partners at GP, partner-country and executing agency levels. The importance of all partners working together in strengthening governance to ensure results was notably raised by an executive of a pharmaceutical company. Good governance is also predicated on existence of sound management systems where key operational functions (financial management, technical capacities and knowledge building, fair and transparent procurement practices and independent auditing) are carried out on the basis of recognized professional standards of competence and responsibility in a way that does not stifle innovation and initiative. Management and oversight functions of a program or project should also be effectively separated to avoid situations of conflicts of interest and sharpen accountability at all levels of management.

A view of a pharmaceutical industrialist on country coordination and leadership

Despite our best efforts on the production side, despite the supply of medicine at production cost, considerable inventories ready for shipment are laying in our stores. We have experienced a gigantic discrepancy between the estimations supplied to us and the orders actually booked. While the estimation of demand provided by WHO was 50 million of doses in 2005, the firm orders received were only half the 30 million doses Novartis produced [in 2005]...The treatments exist. The doses are available, the money to pay for them is there but somehow the system has failed. ...In most African countries market conditions do not allow for the treatments to be ordered and distributed in real time. Health systems are failing or [are] inexistent. Infrastructure and the administration in charge of these problems have difficulty fulfilling their mission. Today malaria, tomorrow AIDS, tuberculosis or leprosy...The “World Days” would not be enough [to meet the challenge]. Pharmaceutical industry efforts will not be effective as long as they are not [deployed] in a context of stable political and health structures.

The major challenge for health in poor countries is governance. While not minimizing the responsibilities of pharmaceutical groups, they are alas helpless without the determination of local actors. We should therefore hope for a greater collaboration between governments, international institutions, private groups and civil societies. Without this shared responsibility, nothing will happen.

- Translation of excerpts from the article “Malaria should no longer kill”
By Daniel Vasella, President of Novartis Group – Le Monde April 26, 2006

76. Achievement of objectives and performance also include the presence of a quality monitoring and evaluation system that:

1. Monitors clear and coherent program objectives and strategies.
2. Evaluates a result based management framework with a structured set of qualitative and quantitative outputs, outcomes, and impact indicators.
3. Operates a systematic and regular process of data collection and management.
4. Is independent and provides effective feedback periodically on funding status, organization and management and strategic focus.

77. More systematic monitoring and evaluation of GP performance and responses to global issues is needed. Until very recently²⁴ systematic monitoring and evaluation systems of performance and changed attitudes were applied to partner-countries only. Awareness of the need for a more inclusive approach is gaining ground. Monitoring and evaluation systems of GP performance along the lines devised for donors and partner-countries by the DAC Working Party on Aid Effectiveness will help monitor progress and initiate adjustments as necessary. Such a system would include monitoring and evaluation of the contributions by GPs and other development aid agencies to help identify the gaps in the response to global issues and to propose changes or additional measures. Monitoring systems should be integrated to include all externally funded programs, avoid duplication and be manageable by partner-countries.

²⁴ The DAC Working Party on Aid Effectiveness has launched in May 2006 a pilot of a monitoring system of aid effectiveness at donors and partner-countries levels as a follow up to the Paris Declaration.

78. **The country surveys indicate some progress in linking GP objectives to country development plans.** The Bangladesh study, for example, reports progress in outcomes oriented monitoring. However, there is still a long way to go among donors and between donors and partner-countries in agreeing on the modalities for achieving results, and on basing program support on national plans and sector strategies endorsed by a wide range of stakeholders and reflecting all the investment elements of a program in a well conceived and comprehensive MTEF. Such challenges are most apparent when harmonization of policies and procedures is lacking and when parallel operating systems coexist for coordination, disbursement of funds, procurement and audits.

79. **There is clear evidence that programs more closely linked to multilateral or bilateral activities at country level add more value on the ground.** Examples of these are programs supported by GEF, GAVI, CGIAR, and EFA-FTI (e.g., in Bangladesh, Brazil, Tunisia, Ghana, Nicaragua). Such programs are generally based on sector-based approaches and their policies and procedures are sufficiently integrated to national systems. They are designed to complement or serve as pilots to future projects supported by other national or multilateral financial institutions operating at the country level. In few cases, however, as in Bangladesh and Ghana, high leveraging of resources for HIV/AIDS funding has led sometimes to shifts in national priorities and has diffused responsibility and accountability at project level with adverse consequences for macro and sector balances and program and project ownership.

80. **However, the benefits of GP country activities can be compromised when the GP imposes its management framework on the partner country.** Major GPs, such as the GFATM, have tended to impose to partner-countries their management frameworks and their procurement and auditing policies and procedures, with an adverse impact on transaction costs and long term aspects of sustainability such as building capacity and, improving the effectiveness and the efficiency of national systems. In Bangladesh, the country study found little evidence of the use of country M&E indicators, but instead global programs were seen developing their own M&E arrangements and indicators. A convergence of operating systems to achieve results and efficacy at country level should be the ultimate objective of GPs and external aid institutions in general.

81. **As the role of GPs grows, they must be accountable in order to remain legitimate.** GPs, like any other external aid agency (bilateral or multilateral), face in management of their programs and projects the formidable challenge of increasing their accountability while maintaining legitimacy with their sponsors and with partner-country stakeholders (who may have different views on needs and emphasis, such as for HIV/AIDS and malaria treatment in Ghana). The challenge can be mitigated by good governance, including judicious and transparent actions on the following aspects:

1. Linking objectives explicitly to stakeholders needs;
2. Allowing structured and orderly participation of all stakeholders to orientation, design and implementation of programs and projects;
3. Clear and public assignment of roles, responsibilities and accountability within the management structure of the GPs;
4. Separation of management and oversight functions to avoid situations of conflicts of interest. Situations should be avoided where GP management reports at the same time to two governing bodies, where one of them is involved more or less directly in management and oversight of the GP.²⁵

²⁵ These overlap of functions are noted when implementing agencies are also housing the GP e.g. WHO with Stop TB but also GAVI plays both roles; and the World Bank with GEF uses its own project management, policies and procedures systems for the execution of projects (Nicaragua)

8. Main Findings and Conclusion

82. **There are many examples of good practices in global programs. The box below provides some examples.**

***Some Examples of Global Program
Implementation of Good Practices***

Ownership: Strategy, Policy, and System Alignment

- EFA-FTI: Endorsement process promotes ownership and alignment; also policy and procedures integration to national system as seen in Nicaragua.
- CGIAR: Strong ownership at both global and country levels.
- GAVI Alliance: Alignment to country systems in all countries surveyed.
- GEF: Good in case of Tunisia projects; reflected in MTF.
- Montreal Protocol: High ownership as seen in Brazil; reflected in MTEF.

Harmonization and Coordination

- EFA-FTI: In general strong at donor level; clear government leadership seen in Ghana and Nicaragua.
- CGIAR: Strong coordination with research bodies globally and at regional/country in Brazil.
- GAVI: Good coordination among donors through ICC.
- GEF: Good coordination with national stakeholders, as seen in Tunisia.

Sustainability and Predictability of Finance

- EFA-FTI: More attention given to recurrent costs; more pooled funding.

Achieving Results and Accountability

- CGIAR: Effective M&E systems at global, regional and country levels (Brazil).
- GEF: Domestic and external independent audits (Tunisia, Nicaragua); Non integrated result oriented M&E (Tunisia, Nicaragua).

83. **Still, the opportunities of global programs are often missed.** The country studies, referred to in this synthesis report, and the studies of global health programs and the IEG evaluation of global programs, all conclude that the potential benefits of global programs are not being fully realized due to a variety of factors, ranging from selectivity, ownership, alignment, harmonization and results focus, to governance.

84. **GPs in all sectors may pose issues of alignment and harmonization.** One of the objectives of the country studies was to learn whether the issues raised in relation to global health programs in previous studies were also present in programs in other sectors. The overall answer is yes, but the difficulties in fitting global programs into country led alignment and harmonization arrangements are clearly greater for the major health programs (GFATM, GAVI) – which have a unique business model -- than for GEF and EFA-FTI. In general, the main global program in education, EFA-FTI, gets high marks for alignment because funding is based on an education sector strategy endorsed by the government and donors. The GEF, the main global program surveyed in environment, is generally found to be fairly well aligned, but not without problems in project implementation in terms of wasteful competition, parallel arrangements and unclear delineation.

85. **Improvement in the integration of global programs at the country level will require actions by donors, the GPs and by partner countries.** The review of the integration of global programs at country level has identified the need for reforms by Donors (including bilateral and multilateral donors, foundations and other private and civil society institutions), by Global Programs, and by Partner Countries. The main findings of this report suggest reforms to address the challenges of ownership at global and country levels; alignment of policies and procedures; harmonization and coordination of actions; sustainability and predictability of finance; and program governance, in order to achieve results and promote accountability. They are as follows for the respective players:

(A) For Donors to Global Programs:

1. Exert greater **selectivity** before establishing new Global Partnership Programs. Rationalize the number of GPs by taking into account activities and performance of those already operating at global, regional and country levels. Promote complementarities and synergies to increase efficiency and reduce transaction costs. Consolidate through mergers or close down GPs that have achieved their purpose or are ineffective. Evaluate performance and mandate of existing GPs before engaging in new activities or in new GPs.
2. Promote **participatory involvement** of partner-countries in defining new GPPs' objectives to ensure better alignment of objectives with partner-countries needs.
3. Promote **coordination between all institutions involved in development assistance at country level**. Foster coordination through regular and transparent exchange of information among GPs, multilateral and bilateral institutions and private foundations.
4. Review current funding arrangements of GPs to promote **use of innovative instruments** to enhance flexibility and sustainability of resource flows to achieve results.
5. Review **financing terms** of GPs to include incentives for effectiveness and achieving results.
6. Develop a **shared methodology to assess performance** and effectiveness of different funding outlets at country level (GPs and traditional aid agencies). Calibrate donors' support to them on the basis of performance and achieved results. Institute a global monitoring and evaluation system of GP performance along the lines of the system developed on a pilot basis by OECD DAC for ODA donors and partner-countries.
7. Align GP policies and strategies with countries' national and sector plans and country budgeting and management systems (program execution, fiduciary responsibilities, audits and coordination).

(B) For the Global Partnerships Programs:

1. **Align and harmonize programs' strategies and policies** with national and sector plans. Integrate operational procedures to country systems by using national structures for program implementation. Avoid the use of parallel implementation structures (PIUs). In case of weak national institutions in fragile states, use delegated assistance within the framework of national institutions with the clear intention to phase-out special arrangements adopted for program execution over a reasonable timeframe.
2. Support and promote **country leadership** in program and project execution, including coordination at national and local levels.
3. Promote **inter-agency coordination** during preparation and implementation of programs and projects. Agree on the modalities of effective coordination with all partners, donors and

executing agencies. Develop a standardized format of reporting procedures that increases accuracy and transparency and substitute joint reviews for individual reviews.

4. Promote **sustainability and predictability of funding** by synchronizing disbursement with national budgets. Adapt financing modalities and amounts to program and project requirements and financing contributed by other sources. Engage **in pooled and programmatic financing** with multilateral and other financing institutions when program activities are in the context of a SWAP and are underpinned with sound fiduciary policies and procedures.
5. Promote sound **governance** by establishing a clear division of labor between program management entities. Ensure separation of oversight and management responsibilities and develop an accountability system supported by annual independent audits. Establish in close coordination with country and aid partners a result based, independent monitoring and evaluation system which includes qualitative and quantitative outputs, outcomes and impacts.

(C) *For the Partner-Countries*

1. **Develop sector strategies** that could serve as the framework for GP and other donors' assistance programs and projects.
2. Consistently include all GP assistance programs in the MTEF.
3. **Ensure financial sustainability** of programs and projects, during and after the GP funding phase.
4. Institute **sound management systems** at program and project execution levels covering financial management, programming and budgeting, procurement, internal and external audits, and monitoring and evaluation systems.
5. Promote transparency and **clear assignment of responsibilities in management** and ensure that oversight and management functions are separated and delivered respectively by the representative governing body and competent management staff.

ANNEX 1: THE STUDY CONCEPT NOTE

MDBs
OECD
UNDP

Aligning Global Programs with Country Planning and Implementation Frameworks Concept Note

1. Summary

*With the **Paris Declaration**, the international development community called for a common approach to when and how global/regional initiatives and programs that fund significant activities at the country level are introduced into country strategy work (including PRSs, budget frameworks and assistance strategies) and included in country based coordination initiatives and country operations. The global-country alignment is an important issue of both aid effectiveness and aid architecture, and cannot be solved by individual countries or institutions.*

The co-sponsors of the Paris High Level Forum – OECD-DAC, UNDP, AfDB, AsDB, EBRD, IaDB and WB – have decided to jointly sponsor an initiative, including country studies, to look at the impediments to alignment of global programs with country approaches, and to recommend ways in which they could be better integrated at the country level. This work will be closely coordinated with – and a part of – the Working Party on Aid Effectiveness, the body primarily responsible for following up the Paris commitments²⁶. All the sponsors are members of the Working Party, which includes all major donors, representatives of developing countries and representatives of global programs, each of them an important partner for this effort. The sponsors will also reach out to major foundations/philanthropic organizations, which increasingly help set up and finance global programs, and to think tanks and academia.

A broad consensus on aligning global programs with country systems, calls for a broad dialogue among partners, with a focus on learning and sharing. A consensus on a common approach should preferably be underpinned by a set of policy and good practice guidance - Agreed Principles and Guidance Notes for integration of global programs with country programs - for governments, global programs, development institutions and other partners. To support the process of learning and sharing and help reach consensus, the sponsors are proposing an International Workshop with broad participation, toward the end of 2006.

²⁶ The global-country alignment work has been included in the 2006 work program of the Working Party. It was also recently endorsed by a meeting of the Presidents of MDBs.

2. Background and rationale for seeking alignment

While global programs have long been part of development architecture (e.g., several UN specialized agencies), their growth in recent years has been remarkable. Global and regional programs are beginning to compare, in aggregate, to major country focused ones, such as IDA. Existing major initiatives include GFATM, GAVI, GEF, CGIAR and EFA-FIT. The trend seems to be in the direction of more global initiatives and programs. Among recent examples, already in place or being discussed: an Africa Catalytic Fund, an IFF for Immunization, an Infrastructure Fund, a Global Migration Facility, a Climate Change Fund, an Avian Flu Facility, and a considerable enlargement of the Integrated Framework for Trade Related Technical Assistance.

But in the current major reform effort to increase the development effectiveness of aid, which puts premium on country ownership and country based coordination and harmonization, aligning global programs to coherent implementation, country by country, has often proved challenging. Global programs tend to be absent from in-country coordination; they do not always fit well into budgetary frameworks at the country level; and they are criticized for poor communication and for establishing parallel implementation arrangements. So far, a coherent global framework on when and how global programs should be integrated into country processes – with broad country and institutional buy-in – has not been established. Recent evaluations of major global programs in health, prepared in connection with the High Level Forum on Health in December 2005, have provided extensive on-the-ground evidence of problems. They also suggest a number of steps, some of which appear more broadly applicable, to address them.

The Paris Declaration, committing all major donors and many developing countries to a common alignment and harmonization agenda, did address the issue: *"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"* (Para 4). This statement can be seen as a twofold challenge: a) developing partner countries should address key global initiatives in their broader development agendas, and b) global programs should make bigger efforts to integrate global programs into government led planning and coordination at the country level.

3. The case for, and criticism of, global programs

Several observers have noted that the growth in global programs mirrors the deepening of *globalization*²⁷. There are a number of arguments in favor of global programs:

- Provision of *global public goods* (GPGs) that will be undersupplied by markets or by country level action alone (e.g., ozone depletion and the Montreal Protocol or IAVI's search for an HIV/Aids vaccine).
- Provision of *near-GPGs* - goods and services with considerable regional or global *externalities of impact*, (e.g., regional water management, provision of bed nets, containment of epidemic flu risks).
- Support the *implementation of global conventions*, by establishing a funding or coordination mechanism and providing incentives for governments to meet their commitments.²⁸
- *Apply cutting edge knowledge globally* – pool research, analysis and experience to encourage innovative delivery mechanisms and use of technical best practice.

²⁷ OED: Addressing the Challenges of Globalization – An Independent Evaluation of the World Bank's Approach to Global Programs; also: F. Sagasti and K. Bezanson for IDS, University of Sussex and Ministry of Foreign Affairs, Sweden: Financing and Providing Global Public Goods – Expectations and Prospects.

²⁸ Brian Levy, World Bank, informal working paper titled: Strengthening Country Performance: Are Global Programs a Problem or an Opportunity?

- *Attract additional funding*, particularly by tapping new sources (e.g. foundations), and to promote *innovative delivery* of support.²⁹
- Sharpen the focus, *raise the political profile and mobilize civil society and the private sector* on high priority issues, usually ones with a clear *poverty focus*, not least where there are questions of confidence in existing institutions and programs.³⁰

But while global programs have at times been highly successful (e.g., the river blindness program, CGIAR), as they have proliferated and their financial importance have grown, so have concerns about their efficacy. These concerns are focused particularly on the tension between them and the international reform efforts to increase aid effectiveness. These reforms put a premium on donor alignment behind the partner country priorities, programs and processes; they put a premium also on donor harmonization to reduce the burden that the myriad donor projects and processes put on scarce government capacity. Field studies have illustrated a number of specific problems, mostly linked to a focus on the success of the individual global program at the expense of national and sectoral efforts:

- Separate and costly governance structures, which tend to undermine government ownership and capacity building efforts
- Lack of participation in aid harmonization and alignment efforts, burdening countries with parallel and duplicative processes, including separate missions and reports, and separate monitoring and evaluation arrangements³¹
- Limitation of policy choices and distortion of budget priorities, with neglect of cross-cutting sectoral or national priorities
- Uncertain sustainability and predictability of funding, which complicates effective longer term sector planning and application of global program resources

These problems are neither universal among global programs nor unique to them. They are essentially the same set of problems that have led to the aid reform effort called for in the Paris Declaration on Aid Effectiveness, in which a number of global programs are signatories. Addressing these issues is, though, that much harder for global programs than for donors with a broad anti-poverty mandate and more field presence. Some global programs have been structured so as to address a number of these issues, and some others are taking active steps to do so. Recent efforts in the health sector, involving major global health programs, are particularly noteworthy and will inform further alignment efforts across sectors.

4. Key questions concerning the global-country link

While it is broadly accepted that better alignment and harmonization is important for achieving the development potential of global programs, we have insufficient knowledge of how widespread the problems are by sectors, or how to spread good practice among global programs in responding to them. The most comprehensive studies, so far, have focused on health and disproportionately on Africa. There is also a need to clarify which programs should be involved in this effort, since, not all global initiatives are global programs funding significant activities at the country level. But, for those global programs that are, there is a need to clarify when, where and how they would be included in alignment and harmonization arrangements, and agree on processes and incentives that would help make the global programs aligned in a sustainable way.

²⁹ McKinsey & Company: Global Health Partnerships: Assessing Country Consequences; also: Global Monitoring Report 2005, Chapter 3.

³⁰ Karen Caines, DfID Health Resource Centre: Background paper: Key evidence from major studies of selected Global Health Partnerships.

³¹ Alex Shakow: Global Fund-World Bank HIV/Aids Programs: Comparative Advantage Study. January 2006.

Among issues that partners may want to try to address – under the banner of the Working Party on Aid Effectiveness and beyond – are:

- How broad is the alignment challenge in terms of countries and sectors? Is it mostly confined to specific sectors and regions or a broad, global challenge?
- What are the different alignment needs for different types of programs? (Investment/Delivery of goods and services vs. Analytical work and advice vs. Research and dissemination).
- Which global initiatives and programs need to be aligned with country frameworks? What are the characteristics to look for? (Size/fiscal impact, investments, provision of goods and services, duration, governance, relevance in donor/partner country program?)
- Which processes and instruments are most appropriate in making the global-country link? (e.g., PRS preparation, CG meetings, general in-country coordination fora, sector-wide/SWAP coordination groups, independent mutual accountability mechanisms)
- What are the leadership and other responsibilities for alignment and harmonization of global programs among governments, global programs and government-donor coordination fora? What changes and management arrangements can global programs, with their limited in-country capacity, other donors and governments make in this effort.
- What kind of commitments or common guidelines should the various partners (global funds, governments, development agencies, foundations, civil society organizations) in the global-country link reasonably accept?

5. Advancing alignment, through analysis, dialogue, learning and sharing.

Answering the questions above, and building a community of practice around the implementation of agreed approaches, calls for further *analytical work*, to deepen the understanding of the scope and depth of the issue, and a *dialogue* among partners, with a focus on learning, sharing and building consensus.

Some useful analytical work has already been done recently, primarily in health, notably the McKinsey study on “Global Health Partnerships: Assessing Country Consequences”. Building on this and other similar work, additional country studies will be done to complement the country picture, by also looking at other programs in other sectors, including environment and education, which have major global programs. It is envisaged that 3-5 *country studies* (mix of regions and income levels) will be done in the early months of 2006. Cooperation with, and financial or in-kind support from, donors and international organizations will be sought. In addition, selected non-health sector programs will be looked at in more depth, with CGIAR and EFA-FTI being prime candidates. For the country and program studies, a combination of international and in-country consultants will be engaged. Drawing on these studies and other analytical work, including papers listed in footnotes, the sponsors will cooperate on *issue notes* and *guidance proposals* needed to take the dialogue forward and underpin agreements on a common approach.

This dialogue will include a broad spectrum of partners: Developing countries, in particular those where global programs finance a significant portion of key sectors; major global programs; bilateral donors and their apex body, OECD-DAC; the UN system, in particular UNDP, as the most common resident coordinator organization; Multilateral Development Banks/Multilateral Financial Institutions; Philanthropic Organizations, particularly Foundations which provide major funding for key global programs. The dialogue will be closely linked to, and included in the work program of, the Working Party on Aid Effectiveness.

The institutions which co-sponsored the Paris High Level Forum - OECD-DAC, UNDP and the MDBs – are offering to lead the process, in close cooperation with other partners. The World Bank has offered to lead the work on background documents and to anchor the effort. UNDP has offered to prepare a background paper on an integrated framework for managing global and local issues. The sponsors will

offer to report on progress and encourage discussion at selected events, including meetings of the Working Party, and annual meetings or major events of any of the sponsoring organizations.

Drawing on promising examples from similar work on other challenges in recent years, the sponsors are proposing the following outputs and events:

- **Agreed Principles** for alignment of global programs with country planning and implementation arrangements, as reference for governments, global programs and donors³²
- **Guidance Notes** that complement the Principles, including recommendations on monitoring and evaluations of global programs, and on capacity building to strengthen the ability of countries to make use of, and integrate, global programs. It might also be supplemented by a Sourcebook of good examples and advice.³³
- An **International Workshop** to discuss alignment proposals, including the Principles and Guidance Note, promote learning and sharing and bring interested parties toward consensus –and possibly endorsing the Principles and Guidance Notes. The workshop is tentatively scheduled to take place on the margins of the OECD-DAC Senior Level Meeting in December 2006.

(March 2006)

³² The partnership on fragile states produced Agreed Principles, following their London meeting in January 2005.

³³ The Joint Venture on Managing for Development Results has prepared a sourcebook of advice and examples – for use by governments and partners. A sourcebook would probably be deferred to a later time, when more examples would be available.

ANNEX 2: SURVEYED COUNTRIES OUTLOOK

Economic Outlook of Countries Surveyed
2004

| <i>Countries</i> | ODA/GNI in percent | percent Of ODA in Education | percent Of ODA in Health and Other Social Sector | Multi- Sector and Program Assistance as percent of Total ODA | Emergency Programs as percent of Total ODA | <i>Observations</i> |
|---|-------------------------------|--|---|---|---|---|
| Algeria: Pop: 32.4 Million Per Capita Income \$ 2280 | 0.4 | 45 | 17 | 8 | 12 | Middle- income No ODA dependency |
| Bangladesh: Pop: 140.5 million Per Capita Income \$ 440 | 2.3 | 25 | 15 | 8 | 8 | Low-income and Low ODA Dependency |
| Brazil: Pop: 178.7 million Per Capita Income: \$3090 | <0.1 | 12 | 48 | 15 | - | Emerging Economy and No ODA Dependency |
| Egypt: Pop: 68.7 million Per Capita Income: \$ 1310 | 1.9 | 8 | 12 | 23 | - | Middle- income and Low ODA Dependency |

| | | | | | | |
|--|------|----|----|----|----|--|
| Ghana: Pop: 21.1 million Per Capita Income: \$ 380 | 16 | 5 | 27 | 12 | - | Low-income and High ODA Dependency |
| Jordan: Pop: 5.4 million Per Capita Income: \$ 2140 | 5.1 | 3 | 16 | 67 | 2 | Middle- income and High ODA Dependency |
| Kenya: Pop: 32.4 million Per Capita Income: \$ 460 | 4.1 | 7 | 43 | 8 | 10 | Low-income and Low to High ODA Dependency |
| Morocco Pop: 30.6 million Per Capita Income:\$ 1520 | 1.4 | 40 | 15 | 12 | 3 | Middle- income and Low ODA Dependency |
| Nicaragua: Pop: 5.6 million Per Capita Income: \$ 790 | 29.0 | 3 | 17 | 12 | - | Low-income and High ODA Dependency |
| Niger: Pop: 12.1 million Per Capita Income: \$230 | 17.5 | 10 | 10 | 13 | 2 | Low-income and High ODA Dependency |
| Tunisia: Pop: 10.0 million Per Capita Income: \$ 2630 | 1.2 | 20 | 32 | 12 | - | Middle- income and Low ODA Dependency |
| Yemen: Pop: 19.8 million Per Capita Income: \$ 570 | 2.1 | 18 | 25 | 17 | - | Low-income and Low ODA Dependency |

Sources: OECD and World Bank

ANNEX 3: THE TEMPLATE FOR COUNTRY SURVEYS

Aligning Global Vertical Programs with Country Planning and Implementation Frameworks

Template for Country Surveys

Introduction

The country surveys are primarily, although not exclusively, concerned with global vertical programs (GVP)³⁴ under implementation in sectors other than health for which separate studies have been, or are being, carried-out (see Annex One for a list of these GVPs). The survey will focus, if possible, primarily on environment and education sectors. The survey is in four parts. The first section seeks to elicit information on general awareness and issues related to GVPs. The second section seeks general information on each global vertical program being surveyed. The third section seeks views on the alignment of programs with country systems in terms of the congruence of their objectives with national development strategies and policies, alignment of their delivery systems to those in effect in the sector including coordinating arrangement, delivery instruments, financial and procurement management systems, accountability mechanisms and monitoring and evaluation systems. The survey's fourth section seeks information on the strengths and weaknesses of policies and procedures of the vertical programs surveyed with regard to their implications for the progress made by partner countries to implement Paris Declaration Partnership Commitments (i.e. in terms of exercising leadership in developing and implementing national development strategies, taking the lead on aid coordination, and adopting hereon results-oriented operational programs and robust fiduciary systems). Based on these country assessments, the study will make recommendations for consideration and eventual adoption by donors and partner countries of guiding principles to align vertical programs to country development strategies and procedures with the objective of greater aid effectiveness.

1. General Awareness and Issues related to Global Vertical Programs

- How aware are planning and financing authorities in the country of vertical programs?
- Which GVPs are taken into account in the country's development strategy and integrated to planning and budgeting frameworks?
- Has the government applied for resources from global vertical programs?
- Is there a need to keep the government aware and to help it manage the supply of vertical programs? Is the list of available programs a useful tool to have during PRS, MTEF and budget preparation?
- How are GVPs selected and what selection criteria are employed?
- Are important GVPs outside government purview and how important are they in regard to development strategy priorities?

³⁴ GVPs are broadly defined as programs which are problem- and/or intervention-specific, address global or regional concerns related to the provision of public goods, build consensus on shared goals and objectives, and enable multiple stakeholders to commit resources (financial, technical, personnel and/or reputation) and to share in the benefits and risks.

Basic Data and Information on Specific Global Vertical Programs Surveyed

For each vertical program surveyed, background information will be gathered, as it may be available, for the following items:

1. GVP Proposal/project Design and Application

- Who applies for the GVP? The process for the application, the resources used (local and international, monetary and in staffing), the time lags for the preparation of the application, its approval and disbursement of funds or obtaining technical support.
- Is the preparation of the application linked to existing sector (SWAPs) and national plans (PRSPs and other national planning tools) or is it independent from formal national planning processes? Is there an explicit link with country instruments such as PRSP/Planning instrument, MTEF, SWAPs, etc?
- Are the GVP's stated objectives and expected outcomes at country level clearly stated? Are the GVP's objectives consistent and supportive of national and sector objectives and strategies and is there a process through which this is assured?
- Who does the preparation? Who reviews the proposal? How consultative is the process? Who approves the application from both government and GVP sides?

2. GVP Implementation Arrangements and Governance

Organization and Management

- Are sponsoring organizations/agencies public or private, national or international?
- Are the respective roles and responsibilities of institutions involved in the GVP implementation explicitly defined and understood?
- Are there separate procedural and management arrangements for the programs such as separate Project Implementation Units? Are there institutional duplications, if any, regarding governance, delivery systems, and coordinating mechanisms?
- Are delivery channels national, international, public, private, autonomous or a subsidiary of a sponsoring entity at global or national level? How well is the delivery channel integrated into national/sector delivery system?
- How is the program management and staffing ensured – by national or international sources? What is the degree of institutional autonomy in terms of staffing, planning, and program execution?

PLANNING, BUDGETING AND FIDUCIARY SYSTEMS

- Is the GVP funding reflected in the MTEF and the national/sector budget? How well does the funding cycle match? Who is responsible for budgeting? How are disbursement sources coordinated and by whom? Does GVP provide multi-year commitments? Does the GVP disburse in a timely and predictable fashion according to an agreed schedule?
- Are the budgeting, disbursements and procurement procedures used by the GVP aligned to national budgeting, disbursement and procurement procedures? If the GVP operates with own procedures, did donors evaluate national fiduciary architecture to assess its suitability?
- Who does the planning and budgeting work? Is there any TA support?

- What are the respective funding contributions of the GVP and national sources in percent of the program total cost and in percent of sector budget allocations? Is the GVP support in or off the budget?
- Are there problems/issues of delivery, macro-economic impact and other budget management impact that need to be resolved?
- What are the delivery instruments? Is the support provided through credit, guaranties, grants, in-kind, technical assistance, or through any other instrument? Are there issues with the use of these instrument(s)? How flexible are the instruments and what limitations are there (e.g., is sector budget support allowed)?
- What are disbursement arrangements and schedules? Are they through national budget to the program account or directly to the program account? Are they made on a quarterly, annual or any other basis?
- Is the program financial management based on national accounting standards or on the program specific financial management framework? Why?
- Are procurement policies and procedures based on national regulations or are they regulated by the program specific procurement procedures? Why?
- Are accountability arrangements integrated to government auditing systems or are they ruled by program specific auditing systems of financial transactions, compliance and performance? Why?
- Is the GVP Monitoring and Evaluation system integrated into standard national systems for vertical programs in the sector or is it program specific M&E? Is it input and/or results and outcome oriented?
- How is accountability ensured? Are the specific systems in place using indicators consistent with those of other donors/government?

3. GVP COORDINATION

- Are coordination and oversight achieved by national or external entities? Do vertical programs get discussed at apex coordinating meetings such as Consultative Group Meetings, Aid Coordination Meetings, and other global fora?
- How intense is the interaction between GVP headquarters and local stakeholders (number of GVP missions to the country, reporting system, frequency of coordinating meetings and reporting)? How adequately are GVP policies and processes communicated to and applied by the country? Does the GVP speak with one voice?
- How responsive are the GVP sponsors and managers to government requests and specific conditions prevailing in the country? Is any improvement suggested in this regard? What can GVPs do to assist in the coordination and alignment of their policies and procedures with country systems?
 - How is the coordination of the program achieved at national and local levels and with the donors? Does the existing GVP coordination mechanism duplicate other coordination instruments?
 - Who leads the coordination and who participates at different levels (global, national and local)?
 - Who does the preparatory work for coordination and reports on it? What is the frequency of the meetings and reporting, and which organization finances the coordination work?
 - What are the specific roles of government agencies in the design and implementation of coordination procedures and what are the barriers to these agencies playing a greater role?
 - What are the roles of donors and GVP management in coordination and program execution?

4. GVP Alignment with National Strategies and Systems

In reviewing GVPs operational features referred to above, the study will attempt to assess their alignment and efficacy through an evaluation of the level of their ownership by their host country, the intended and actual alignment of strategies, policies and procedures, and operational impact as reflected by the organization of their delivery systems, financial management, disbursement and procurement procedures, fiduciary infrastructure and monitoring and evaluation systems. The study will pay particular attention to:

- The congruence of program objectives with national strategies and sector priorities measured through an explicit integration of program components and planning and budgeting of their implementation to the national planning instrument such as the MTEF and the budget.
- The expected or likely impact of the program on sector institutional capacities in terms of budget, staffing, and operational outcomes.
- The quality of policy and operational coordination and oversight mechanisms with donors and within the sector.
- The level of duplication and institutional superposition, if any, in the delivery and coordinating mechanisms.
- The coherence and/or duplication of financial management, disbursement and procurement procedures.
- The alignment of accountability systems related to internal and external audits, and results oriented monitoring and evaluation systems.

5. Alignment Mechanisms Strengths and Weaknesses of the GVPs Surveyed

The survey will identify areas of strengths and weaknesses that affect the efficiency of the GVPs. The alignment would be judged on level of program ownership, alignment of its strategy and policies with country objectives, and the effectiveness of its implementation coordination and oversight with corresponding country systems. The study will attempt through this review to bring forward good practices and the underlying operational principles that drive them. The guiding principles will concern: harmonization and coordination of strategies and policies and institutional governance regarding particularly planning and budgeting, accountability systems and monitoring and evaluation of outcomes and impact.

BMerghoub