

The Learning Group of Global Programs

Actions for Aid Effectiveness

Participating global programs include:

The Cities Alliance

The Consultative Group on International Agricultural Research

The Fast Track Initiative for Education for All

The GAVI Alliance

The Global Environment Facility

The Global Fund to Fight AIDS, Malaria and Tuberculosis (convener)

EXECUTIVE SUMMARY

This document synthesizes best practices and challenges by global programs to implementing aid effectiveness practices through the Paris declaration principles. Since 2006, global programs in education, environment, health, agriculture and urban affairs have been jointly meeting to share lessons on how to improve aid effectiveness, in response to country needs. Strengths include managing for results and strong ownership by directly-involved stakeholders, including civil society and the private sector. Challenges include ownership from central ministries, alignment to country systems and harmonizing procedures. There is clear commitment by global programs to improve the effectiveness of aid delivered. Through the learning process, efforts to internalize change are under way to improve effectiveness on the ground. Supportive policies by donors can also facilitate the more effective use of financing from global programs, including policy coherence and a strategic approach, particularly for prospective new global programs.

I. INTRODUCTION

This document reports on progress and constraints faced by global programs in implementing the Paris Declaration and aims to stimulate further discussion – among global programs and with donors and partner countries -- on increasing the effectiveness of their assistance at the country level through implementation of the Paris Declaration. The note builds on meetings of the Learning Group of Global Programs held in May and December 2007, on summary notes from participant programs, and on supplementary in depth dialogue.¹

The emphasis is on good practice and should not be interpreted as minimizing the seriousness of issues raised or overstating progress made. In addition, for reasons of brevity and focus, examples are illustrative of similar practice in other global programs. As Richard Manning, former DAC Chair, has pointed out, the purpose of the Paris Declaration – and of the DAC and the Working Party on Aid Effectiveness – is to change behavior, rather than to produce polished documents to sit on a shelf. To that end, the note ends with a summary table pointing to potential areas for action. Any suggestions, corrections, and additional examples of good practice or constraints are most welcome (to paulisenman@aol.com and prerna.banati@theglobalfund.org).

The global programs represented in the learning group offer an interesting diversity of experience. The Global Fund, GAVI, FTI (through its Catalytic Fund), and the GEF all provide increasingly large-scale assistance, using a range of funding modalities, at the country level; the CGIAR supports the work of its member research organizations, which in turn provide some support at the national level in connection with their research programs; the Cities Alliance provides city to city technical assistance. The programs are mostly young but already evolving to respond to needs and challenges. Only the CGIAR and the GEF were in existence before the year 2000.

¹ This note has been prepared by Paul Isenman, a consultant to the Global Fund and the FTI, whom they have asked to facilitate the continuing discussions and exchange of good practice among the members of the Learning Group.

II. EFFORTS BY GLOBAL PROGRAMS TO IMPLEMENT THE PARIS DECLARATION

All participating programs are committed to applying the Paris Declaration as an important aspect of their ongoing efforts to increase the development effectiveness of their assistance at country level. The different programs give different degrees of salience to the Paris Declaration, with those directly financing large-scale programs at country level – the Global Fund, GAVI and FTI – giving it the most salience. The only two participant programs that have formally become signatories to the Paris Declaration are the Global Fund and the FTI (as has another global program, CGAP). Other global programs can do so by submitting a letter to the DAC chair.

Efforts by participating programs at implementing the Declaration reflect their different “initial conditions” – e.g. when they were set up and with what mandate -- as well as differences in explicit priority they have given to the Declaration. These efforts, discussed in the subsequent section on PD issues, include some innovative elements, such as more emphasis on results and on the upstream role of civil society. Experience has shown that progress in aid effectiveness depends only partly on getting increased flexibility from their governance structures; making use of existing flexibility and spreading existing good practice can be equally or more important. Progress also depends on improving communications at country level, so that both partner countries and donors know of this flexibility and commitment to implementing the Paris Declaration.

The following section gives a selective brief summary of selected key points of efforts by participant programs to implement the Paris Declaration. The subsequent section, organized by the key “pillars” of the Paris Declaration, provides selective examples of specific actions they are taking.

III. DIVERSITY AMONG GLOBAL PROGRAMS

- **The Global Fund** has participated actively in the DAC Working Party on Aid Effectiveness, as a representative major global program, and has been the convener of the Learning Group. It has begun to integrate Paris Declaration indicators in its internal reporting, with quantitative results and targets. It uses “traffic lights” to indicate progress – with green representing on target, amber to represent reasonable progress, and red to represent significant shortfalls.
- **The GAVI Alliance** has similarly taken a pro-active role in implementation of the Paris Declaration. It is also beginning to use “traffic lights” to measure progress on PD indicators and has drawn on principles of the Paris Declaration in evaluation of its financing instruments. The GAVI board has endorsed the “Best Practice Principles for Global Health Programs at Country Level”, which were based on the Paris Declaration.² FTI was specifically designed to take account of the emerging consensus among donors since 2000 that led to the Paris Declaration. Thus, it has focused on providing support for agreed country programs on a harmonized basis.
- **The GEF** provides support through the ten international organizations that are its implementing and executing agencies, almost all of which are signatories of the Paris Declaration, either directly or through their participation in the United Nations Development Group. The World Bank and UNDP have been among the most pro-active members of the DAC Working Group on Aid Effectiveness. The GEF sees itself evolving to become more country friendly while guarding its global priorities, with the evolution driven by its management, its replenishment and governance process, and its evaluation system. This view of the change process expressed by the GEF is broadly applicable to global programs. The particular challenge, and opportunity, facing the GEF is the extent to which it can use its financing and its processes to encourage implementation of the Paris Declaration by its implementing and executing agencies.

² The draft “Good Practice Guidance for Integration and Effectiveness of Global Programs at the Country Level” extends these principles to global programs in general and addresses policy issues for donors as well as for global programs. They were presented to the Development Committee in April 2007 in the statement of the OECD Secretary General & DAC Chair (www.oecd.org/dataoecd/16/29/37422289.pdf). They are now being tested, as part of work led by the World Bank, in country consultations and will then be revised for submission for approval in Accra.

- **The Cities Alliance** coordinates and encourages projects between a range of donors – including local authorities in donor countries and NGOs -- with cities in partner countries. Its interest in the Learning Group reflects particularly its experience on the ground -- that to achieve its objective of encouraging sustainable urban development, it needs to find ways to encourage more alignment with national programs as well as more harmonization with other donors working in cities it covers. It has drawn on the Paris Declaration and work of the learning Group in its new strategy (2007), which puts increased emphasis on city and national systems and regulatory frameworks in order to anticipate urban issues relative to remedial action after the fact.
- **The CGIAR** sees the Paris Declaration, particularly the emphasis on alignment and harmonization, as ways of helping its research institutions get more impact from their research results and their interactions with national research services. It has also raised a broadly applicable issue for donors: the implication of the Paris Declaration that just as donors should provide programmatic support for country sectoral and economy-wide programs, they should do the same for global programs. Specifically, donors should support the overall efforts of global programs by increasing the share of fungible and pooled (i.e. core) financing relative to earmarked contributions. It is worth noting that DAC donors have just reformed their “voluntary contributions” to the DAC Secretariat, on exactly these grounds, to make them more fungible.

IV. ISSUES AND GOOD PRACTICE IN IMPLEMENTING KEY OBJECTIVES OF THE PARIS DECLARATION

A. OWNERSHIP

There is a common pattern on ownership. There tends to be very strong ownership from partner countries from those involved in supporting and implementing the programs, and, not surprisingly, less so as the distance from those directly involved increases.

- **Role of civil society and the private sector:**
A common innovative feature is more emphasis, and stronger support, from civil society and the private sector than in the PD, which generally tends to equate “country” with “government”. This deep commitment from civil society and private sector is a good practice that merits reflection on how it may be applied in implementation of the Paris Declaration as a whole. The global programs have also tended to get strong support from concerned sectoral ministries. Also, to assure that they are responding to country ownership, they have taken a less interventionist approach than have other official donors, responding to requests rather than using leverage or conditionality. The Global Fund has referred to “radical passivity” to describe the way it waits for requests from countries.
- **Weaker ownership by government coordination mechanisms.** A common and important weakness, though, is not generating strong ownership from overall coordinating mechanisms and ministries of central governments, including Finance Ministries, whose support will be central to sustainability of programs and to links with related government initiatives.
 - In an interesting effort to address this problem directly, GAVI is requiring cost-sharing as well as approval from Finance Ministries. The cost-sharing varies with the type of program and increases over time. This obliges a dialogue and then agreement on sub-sectoral priorities, recognizing that GAVI grants are only available for certain purposes. A related issue raised by some global programs was how to strengthen links between their local priority-setting or other institutional arrangements, such as the Country Coordination Mechanisms of the Global Fund, and corresponding government sectoral and coordinating ministries. This applies particularly to Ministries of Finance, whose support will be required for sustainability as well as for current complementary financing.

– The Cities Alliance also expressed concern about risks to sustainability from inadequate links between its projects at the city level and national budget and other priorities. It is moving increasingly to execution by the country rather than the donor partner to increase ownership. On another ownership issue, the Cities Alliance uses long-term partnership agreements to address another problem not often mentioned – that of political cycles as urban governments change; this issue of political cycles is one that has been found important for aid in general. Interestingly, the Cities Alliance has also found that regional projects, desirable as they are on other grounds, raise problems of ownership at the country level.

B. ALIGNMENT

This has been the most challenging area for global programs. Since by definition they have been set up to carry out specific, generally sub-sectoral, mandates, their role is different from that of DAC donors that are shifting their focus sharply to support of what partner countries have defined as their overall poverty reduction or sectoral programs. The establishment of global programs, their objectives and governance structure, and their funding tends to come from the same donors who are strongly committed to alignment. For donors, the choice between global and (direct) country programs is one of portfolio allocation, albeit with two special factors: the greater attractiveness of global programs to publics and parliamentarians, so that there is likely (if hard to prove or quantify) additionality from allocations to global programs; and the reality that donor portfolio decisions are often made piecemeal, rather than in an “all of government” strategic manner.

For similar reasons, major private foundations are showing increasing concerns about the broader sectoral context within which the global programs they support operate. The draft “Good Practice Guidance for Integration and Effectiveness of Global Programs at the Country Level” deals with these policy issues for donors and other funders as well as with those for the global programs themselves and partner countries.³ They include, for example, the need for donors and other potential funder to “think twice” as part of a review process before starting an additional global programs.⁴ They are now being tested, as part of work led by the World Bank, in country consultations and will then be revised for submission for approval in Accra.

Once the overall parameters have been determined by funders and other stakeholders represented on governing bodies, the key operational issue for global programs is determining the optimal degree and means of their integration at country level. Alignment applies across a broad range of issues, from national strategies and predictability of financing to use of country systems – from public financing and procurement systems to timetables for submission and reporting on grants.

- **Support for national programs and pooled funding.** Examples of good practice include the decision of the Board of the Global Fund to base support increasingly on agreed national programs and related flexibility by the Global Fund with use of pooled financing. (This change is an example of how implementing the PD calls for increased communication between global funds and the country level – government, other donors, and relevant national-level planning and institutional structures.) Similarly, the FTI has had support for national programs and use of national budgets and financial systems, another important aspect of alignment, built in to its design. It also encourages use of its financing as part of broader pooling arrangements. Global programs are also making efforts to adapt their funding rounds to country budget cycles; the GEF has gone to rolling submissions rather than fixed rounds.

³ These principles were presented to the Development Committee in April 2007 in the statement of the OECD Secretary General and DAC Chair (www.oecd.org/dataoecd/16/29/37422289.pdf).

⁴ One global program also raised the issue of the proliferation of global programs within its sector and the need for more attention to how these global programs work together more effectively as well as how they can be more effectively be integrated with country programs.

- **Sustainability and predictability of funding.** Another common alignment problem of Global programs has been relatively short-term funding. Much of the problem of sustainability comes from short-term financing by donors of global programs, which are then limited in the length of commitments they can make. This, along with the uncertainty of whether programs would be extended, causes problems particularly for programs requiring long-term partner government commitments for employment or drugs or vaccines. Here, for example, the Global Fund has been able to get longer-term as well as substantially larger funding and is giving priority to longer-term financing of good-performing programs. GAVI has succeeded in raising funds through the International Finance Facility for Immunization (IFFIm), which permits financing of 10-20 years through long-term commitments by donors. Global funds have also been seeking to broaden their funding base, reaching out beyond existing donors and major foundations to try to attract support from private companies. The Global Fund is working with a group of private firms and individuals – opinion leaders and celebrities – in “(Product) Red”; here a portion of sales of specially identified products from sponsors goes to finance Global Fund programs, providing additional finance that is potentially medium to longterm.
- **Links to government funding priorities and providing funding on budget.** As the size of the largest global programs has increased, issues have been raised about relative under-funding of other, related, parts of national sectoral systems as well as about pulling staff and other resources from those programs. There is no doubt but that in addition to funding needs of the global programs themselves, there are large unmet needs in other areas of sectors they cover, as well as for aid as a whole. It is, as noted above, the donor community, rather than the global programs, that determine the aid “architecture” and amounts of funding for global and national programs. The problem at the country level of attracting resources to these rapidly growing programs, partly through offering higher salaries and better working conditions, is a serious one, again linked to the need for more donor funding and capacity development, sector and nation-wide. . Both GAVI and the Global Fund are committed to providing financing for health systems as a whole, beyond their program-specific priorities. Current plans for GAVI call for it to devote about one third of its resources to health systems. The Paris target of increasing the share of external assistance that it reported in the budget has been problematic for some GPs. They deal with line ministries, some of whom would prefer to keep a substantial share of external resources off budget. However, for example, support from the FTI’s Catalytic Fund is on budget; the example cited above of GAVI seeking direct funding from Finance Ministries applies here as well.
- **Fiduciary issues.** Fiduciary issues are a broadly shared concern of global programs – whether fiduciary is defined in a narrow sense as public finance and procurement or more broadly in terms of adequacy of procedures to assure quality. Striking the right balance between these fiduciary concerns and the desire to rely to the extent possible on support of country systems and country proposals is not easy. This experience of global programs is consistent with the complexity of the indicators of public finance and procurement in the Paris Declaration itself. For example, the FTI has – within a framework of delegation to the country level and support of the Paris Declaration – recently strengthened its support for country processes in an effort to address unevenness of quality or proposals. It, like other global programs, seeks to adapt the form of assistance – budget support, sub-sector wide investment programs, or other – to take account of program quality and fiduciary and other capacity issues in an effort to mitigate risk and increase effectiveness at the country level.

C. HARMONIZATION

This has been a challenging area for global funds, with increasing examples of good practice. The specific mandates and processes of global programs as well as their general lack of direct field presence make harmonization at the country level difficult, even though the existence of global funds can be considered a kind of up-front harmonization at the subsectoral level, as compared to a series of bilateral programs. Given their global focus, global programs have tended to have a focus on international best practice. But they are giving increased attention to balancing this with their objectives of acting jointly with other donors, in order to reduce transaction costs, particularly for partner governments, and to increase the coherence of donor support. The Cities Alliance cites the additional problem of encouraging its project funders, generally local authorities and NGOs in partner countries, to give priority to acting jointly with other donors (or alignment). The challenge to global programs applies, for example in how to participate in-country donor groups or in joint missions and analyses. But there is strong commitment to addressing these issues, within bounds of what is feasible. For example, the Global Fund, GAVI and (prospectively) FTI are implementing efforts to monitor PD indicators, as a part of an effort to encourage progress on them.

D. MANAGING BY RESULTS

Global programs have been innovators in the emphasis they give to building in results and performance to their funding processes, as well as the emphasis that they put on monitoring and evaluation.

- **Performance and funding.** The Global Fund uses performance as a criterion for program renewal and funding levels. GAVI has innovated in linking funding levels directly to outcomes, in its case with numbers of children immunized and with fine-tuning vaccine provision according to overall need and previous utilization.

- **Indicative country allocations.** In an effort to link results to predictability (a key aspect of alignment, discussed above) and cross-country impact, the GEF has introduced a system of indicative country allocations for its two largest programs. These include a performance measure, based on modifying the IDA “CPIA” to put more emphasis on environment, as well as measures of need, including global environmental importance. The GEF has found that implementing this system effectively has required closer communication with concerned partner countries. The FTI is discussing introduction of a comparable system that takes explicit account of need (in terms of population, per capita income, and distance from meeting the basic education MDG) as well as of a comparable performance measure relevant to basic education and of the extent to which a country is an aid “orphan” or “darling.” This system would be a major input – but not the only one -- into allocation decisions. It is important also to take account of excluded country-specific factors like program quality. The issue of whether and to what extent allocations should take account of cross-country criteria as well as the specificity of each country applies broadly to global programs, as to donors in general. The same point applies to the relative balance between need and performance, whether or not with explicit crosscountry criteria.
- **Operationalizing results frameworks.** All the programs have given emphasis to results frameworks – as a vital element of monitoring, evaluation, and auditing systems. Like others, the GEF is trying to give more priority in these frameworks to institutional development, which it sees as key to sustainability. Global programs differ substantially in the extent to which they make use of government and joint donor systems of monitoring, results, and auditing. For those like the Global Fund, which have made less use in the past, the challenge is how to align and harmonize but in a manner that contributes to the improvement of overall government and donor monitoring and evaluation systems and to improvement of results as well.

- **Internal and external evaluation.** The global programs also have shown good practice in evaluations of their own work, including and going beyond work of their own evaluation units.
 - On internal evaluation, the GEF and the Global Fund, among others, are trying to move relative emphasis down the “results chain” from management of inputs to outputs and, as possible, further down the “results chain”. These should take account, as in results frameworks at the project level, of institutional as well as service-delivery results.
 - In 2007, major external evaluations were under way for FTI, the Global Fund and GAVI. And there is clear commitment from their Boards and managements to take action based on the recommendations that emerge. Interim evaluations of programs of the Global Fund and GAVI have led to significant changes in their operations, particularly regarding harmonization and alignment. This combination of speed of evaluation of newly-established programs and changes in response to the evaluations is an example of good practice for aid in general.

E. MUTUAL ACCOUNTABILITY

Global programs tend to have strong accountability to their international constituencies. Some, like the Global Fund, have set standards of good practice among donors on transparency by publishing key internal documents, including results of board discussions, on the Internet. Good practices also include the efforts referred to above of monitoring – and making available – results of monitoring of indicators of the Paris Declaration. However, mutual accountability is more difficult at the country level, partly because of the global mandates of global programs and their lack of direct presence on the ground.

- Global programs are seeking ways to participate more in country-level mutual accountability mechanisms, within limits set by staff constraints, or to have others represent them. GAVI, with its close links to UNICEF and WHO, and FTI, with its “lead donors” at the national level and use of the World Bank as implementing agency, have an advantage here. The GEF recently appointed an “Ombudsman” to help increase accountability and deal with issues raised (primarily) at the country level.
- The greater involvement of civil society and the private sector in country strategy and implementation structures adds another dimension to mutual accountability beyond that of the most-frequently cited examples cited of mechanisms for mutual accountability, such as Tanzania and Mozambique. Here there are opportunities for joint learning between global programs and other multilateral and bilateral programs.

F. WAY FORWARD

The work of the Learning Group indicates clear commitment by most global programs to taking account of the Paris Declaration, but with differing degrees of priority. It is important that this process continue, not just in producing progress reports, but in changing behavior and increasing effectiveness on the ground. There is much that the global programs themselves can do. Supportive adjustments in the global aid architecture can also facilitate the more effective use of financing from global programs. For existing programs and particularly for prospective new ones, there is a need for policy coherence and a strategic approach.

SYNTHESIS OF GOOD PRACTICES, ADJUSTMENTS AND LEARNING

This is a broad summary across diverse programs, including items that apply to many but not all

	Strengths	Weaknesses	Actionable recommendations
Ownership	Country led proposals and implementation, usually strongly inclusive of civil society & private sector.	Overall ownership by government, particularly Finance Ministries – necessary for sustainability.	Pro-active approach – direct or via principal intermediaries – to involve Finance Ministries; the gain in sustainability outweighs the increased transaction cost.
Alignment	Alignment to varying degrees at subsectoral level.	Tendency to use systems (e.g. timing, auditing) that make sense for crosscountry comparison by global program. Focus needed to use and strengthen country systems.	Steps, varying by program, include: support for national strategies; pooling funding; pro-actively putting funding onbudget; and pro-active effort to follow country, rather than global program, systems, and budget cycles. Donors should: provide more sustainable and innovative financing (e.g. the airline ticket tax); give strong support on GP boards and at country level for better alignment of global programs; increase the share of core funding relative to earmarked contributions; “think twice” before starting new global programs; and build alignment, and harmonization, into program design within a thought-out sectoral “architecture”.
Harmonization	Donor financing of GPs is a form of upstream harmonization.	Limited country presence limits involvement with other donors.	Participation, directly or by delegation, in harmonization and streamlining at country level. Make fuller use of existing flexibility and get more from Boards and management.
Managing for results	Results frameworks in place. Innovation in performance based financing and incentives. Internal and external evaluation culture built in from start	Varying attention to results, including varying quality of results frameworks. Use of own results and M&E framework, rather than governments.	More attention to using and strengthening national M&E systems. Consistent focus on managing for results, with reasonable balance among outcomes, intermediate outputs and implementation processes. Monitor each global programs implementation of the Paris Declaration. Emphasis on results can be a major contribution of global programs to SWAps and country programs.
Mutual accountability	Accountability to international constituencies as well as local accountability through involvement of CSOs and private sector. Transparency of documentation & processes.	Country level accountability.	Participation, directly or through delegation, in country mutualaccountability related structures, including annual sectoral mutual reviews. Encourage improved local accountability systems (e.g. role of beneficiaries or expenditure tracking.)
Cross-cutting issues	Wide support of Paris Declaration.	Mostly not signatories of the Paris Declaration. Weak incentives for emphasis on Paris Declaration, especially harmonization & alignment by overstretched staff. Inadequate communication among global programs & “culture gap” between global programs & country based assistance.	Sign by sending letter to DAC Chair. Set clear management priorities and incentives, with support from Boards, and communicate them effectively to country intermediaries and implementing agencies. Build bridges of dialogue and joint learning, with support from the top. Focus on and monitor behavior change in each global program.