



# Review of emerging models of advisory capacity in health and education sectors

Final Report

Enrique Mendizabal, Harry Jones and Jeremy Clarke

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Overseas Development Institute  
111 Westminster Bridge Road  
London SE1 7JD, UK

Tel: +44 (0)20 7922 0300  
Fax: +44 (0)20 7922 0399  
[www.odi.org.uk](http://www.odi.org.uk)

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## Executive summary and recommendations

### Introduction and methodology

The 2009 Health Portfolio Review flagged that there had not yet been an assessment of the emerging advisory models in human development. This study aims to fill this gap by reviewing the experience to date of the most common emerging models found across DFID country offices. The purpose was to help DFID optimise the use and impact of advisory capacity. It focuses on four advisory models:<sup>1</sup>

- '*Sector specific*', where an adviser covers one of the health or education sectors and engages in policy dialogue and influencing sector programme design.
- '*Hybrid*', where an adviser covers more than one sector (sometimes called 'human development adviser, basic services adviser, etc.) focussing on policy or on more generic cross-cutting issues of Governance or aid effectiveness.
- '*Human development team*', where an individual leads and manages a number of less senior staff who have expertise in a number of sectors.
- '*Delegated Co-operation*' or '*Silent partnership*', where DFID is represented by a member of staff of another donor.

The study revolved around a series of semi-structured interviews and sequential, iterative elements. The first set of interviews focused on the different models at a general level. Interviewees were selected for having long experience of working in DFID in order to ensure that they have had direct personal experience of a number of different models of advisory capacity. Ghana, Mozambique, Tanzania, Nepal and Bangladesh were selected as case studies based on the fact that the country offices had transitioned through more than one model of advisory capacity. The interviews in each country were focused on well-informed people within DFID as well as donors and governments. The insights from the case studies were then brought together with those from the initial set of HQ based interviews.

**Main findings on the models** (see also the detailed conclusions in section 6 and the assessment of strengths and weaknesses in section 4).

The key points about the different advisory models arising from the experience examined in the current review are:

**Sector specific advisers** in health and education have enabled DFID to add value to sector programmes by bringing new ideas and evidence based policy and good practice from elsewhere. They have allowed DFID to have a substantial influence on policy and programming and on the wider donor community. Sector specific advisers are also well suited to pursue current and future DFID priorities including service delivery, gender in education, nutrition, maternal mortality, HIV & Aids, malaria, etc.

**Sector specific advisers** are often associated with sector programmes and budget support which require a close involvement in both sectoral and cross-cutting reforms (as they affect the sector). The review also highlighted that in such cases partner governments often want sector specific advisers from a core group of donors with each having a clearly defined role and contribution. DFID offices increasingly use sector specific advisers to manage other staff, to carry out appraisal, cost effectiveness analysis and develop performance targets. They are also required to address fiduciary issues at the sector level.

<sup>1</sup> In the process of undertaking this study, variations of these models have emerged and where possible, we have attempted to include them in the analysis. It is also important to note that these are not exclusive models but rather it is common to find that DFID employs combinations of the various models.

**Hybrid advisers** have made an important contribution to addressing cross-cutting governance reforms on financial management, civil service reform, and procurement. They have enabled DFID to focus on upstream governance and aid effectiveness issues affecting a number of sectors and have contributed to the objective of promoting cross-sector good practice in these areas by governments and donors. Hybrids have also been effective in performance monitoring and management for results and in contributing to the development of the aid architecture. They are able to focus down on fiduciary issues by addressing these issues in a systemic way across a government.

**Hybrid advisers** are not suited to influencing sector specific policy on health and education simultaneously. The experience with hybrid advisers suggests that where this has been tried, the advisers have found it difficult to get to grips with the policy and programme content in both sectors. There are also problems with capacity and the risk of overloading these posts. Hybrids have been used much more effectively across the range of social sectors where DFID seeks to encourage the improvement of cross-cutting government systems (e.g. financial management and procurement)

Advisers often work in **human development teams**. The experience needs more consideration but the current review suggests that they may offer the most flexibility and capacity to cover more than one sector simultaneously whilst also meeting corporate needs for results management and monitoring. Such teams work well where they provide sector specific advisers to cover a single sector.

**Delegated partnerships** could work better if better planning and foresight was involved. In the past they have not been as effective in part because there has been less alignment in policy and procedures than anticipated and the level of partner capacity has not met DFID's needs. In several of the cases DFID has continued to use its own in house resources in monitoring sector performance or has subsequently reverted to engaging more directly by employing sector specific advisers.

The experiences studied suggest that **delegated partnerships** could be made more effective where DFID communicates its intentions to exit clearly, makes sure there is donor capacity available to replace previous DFID inputs and defines roles and responsibilities more clearly in MOUs with the delegated partner.

**Secondments** of DFID staff should help overcome capacity and expertise constraints of the delegated partners and donors more generally. By adding capacity to partners it should then be easier for DFID to exit from a sector with less risk of leaving a gap.

A general finding is that over the last decade, as pressure to reduce admin costs and increase spend rose, decisions regarding staffing have been primarily driven by the minimisation of costs, subject to the desire to achieve certain development outcomes. The recommendations below then are intended to revert this and stress the importance of focusing on the maximisation of development outcomes, subject to resource constraints.

## Recommendations

**Recommendation 1:** Be more systematic in the process of considering the options for advisory models and matching them to the objectives they are trying to achieve in specific contexts. Simple guidance could be prepared about available options and their strengths and weaknesses, and issued along the lines of the draft decision making tool in Annex 2.

**Recommendation 2:** Start applying the lessons about the strengths and weaknesses of the various models. For example, delegated partnerships and secondments should be better planned, designed and managed when they are used in future. Similarly, human development or hybrid advisers should not be used to provide sector specific advice to more than one sector at once.

**Recommendation 3:** Undertake a careful analysis of the context and the capacity and willingness of other donors to support decisions related to the use of sector specific and hybrid models.

**Recommendation 4:** Encourage a greater use of human development teams using sector specific advisers and programme staff to lead on policy dialogue but also to take responsibility for corporate results management and value for money assessments.

**Recommendation 5:** DFID should assess the full costs of advisory models and systematically consider their benefits when choosing appropriate options and justifying the expenditure involved. These costs should be updated and communicated effectively (timely and in the right manner) to all those involved in making these decisions.

**Recommendation 6:** Where a case can be made on cost benefit grounds, then DFID should allow more flexibility in funding additional advisory staffing if necessary through programme funded arrangements.

**Recommendation 7:** DFID should re-examine the balance of sector specific and hybrid posts in the light of the strategic objectives and priorities emerging from the recent Comprehensive Spending Review. This can be done corporately and at departmental level.

**Recommendation 8:** Partner government preferences should guide DFID's choice of advisory models more strongly in the future. In some of the cases we examined, this means responding to partner governments' requests for a joint donor approach to the provision of human development expertise involving a core group of up to 4 donors in each sector with clearly defined contributions.

**Recommendation 9:** Improve DFID's capacity to share lessons and experiences to support decisions to change advisory models, through:

- Routinely reviewing approaches and models (maybe through annual reviews of successes and failures) to draw lessons and share best practices.
- Promoting peer exchange and support among heads of offices, team leaders and advisers. Extend existing efforts to review models at professional cadre retreats

**Recommendation 10:** As new management arrangements are developed for human development advisers there should be more attention and improved resourcing for management systems. Areas to be considered could include:

- Maintaining an accurate database of the number and type of advisers in each cadre.
- Enhancing the role of Heads of Profession in planning and advising on the type of advisory model and adviser that would fit a particular context and objectives.
- Addressing DFID incentive structures to prioritise outcomes rather than costs
- Strengthening the whole 'value chain' for staffing: demand identification, recruitment, induction, management, professional development, job review, and future postings.

# 1 Introduction

**1.1** DFID country programmes have employed a number of different advisory models and approaches in the health and education sectors over the last decade. Departing from the 'traditional' model where advisers focused on a single sector, some country offices have used a 'hybrid' model where advisers are given responsibilities across two or more sectors, and elsewhere arrangements have been made for advisory capacities to be covered by a member of staff in another donor office in a 'silent partnership'. There are, at the time of writing, no precise figures available to effectively map this out in detail but, as an illustration, within the Africa Directorate 34% of human development posts based in DFID are considered 'hybrid', while 26% are education and 39% are health<sup>2</sup>. Another set of figures illustrates a trend of increasing expectations on advisers, based on an increase of 63% in the average bilateral spend per adviser between 2006 and 2010.

**1.2** DFID advisers constitute a significant investment of scarce administrative (admin) resources, but there are also strong arguments for the positive benefits brought by motivated staff with strong professional backgrounds working in country programmes. Specifically with respect to the emerging models of advisory capacity, there are a number of expectations – for example, that they will bring benefits from working across sectors and help country offices implement principles of harmonisation. However, as the 2009 Health Portfolio Review points out there is very limited consolidated or systematic knowledge on how well these different models work.

**1.3** This study aims to fill this gap by reviewing the experience to date of the some of the most common emerging models found across DFID country offices. It focuses on four of these emerging models:<sup>3</sup>

- '*Sector specific*', where an adviser covers one of the health or education sectors and engages in policy dialogue and influencing sector programme design.
- '*Hybrid*', where an adviser covers more than one sector (sometimes called 'human development adviser, basic services adviser, etc.) focussing on policy or on more generic cross-cutting issues of Governance or aid effectiveness.
- '*Human development team*', where an individual leads and manages a number of less senior staff who has expertise in a number of sectors.
- '*Delegated co-operation*' or '*Silent partnership*', where DFID is represented by a member of staff of another donor.

**1.4** By bringing together the available evidence about what has (and hasn't) worked where and why, the study presents a number of lessons for those considering the configuration of advisory posts and teams (although due to the focus on individual posts, it has not been possible to conduct a more detailed assessment of different ways in which country office staff work together). It provides a number of insights about the strengths and weaknesses of the different models, and about which model may be more appropriate in different contexts. Namely it addresses:

- The contribution of different models and their fit to specific contexts
- The scope for increasing the cost effectiveness and impact of the different models
- Recommendations to respond to changing circumstances

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<sup>2</sup> Review carried out for the human development professional meeting in Nairobi 2010

<sup>3</sup> In the process of undertaking this study, variations of these models have emerged and where possible, we have attempted to include them in the analysis. It is also important to note that these are not exclusive models but rather it is common to find that DFID employs combinations of the various models.

- The corporate management of advisers

**1.5** We hope that this will assist such decision makers in fitting staffing needs to their objectives, and ensuring the best value for DFID's spend in-country – and a decision-making tool has been developed for this purpose, and can be found in Annex 2. We also expect that this study will also provide a valuable input to other ongoing processes in DFID, providing information about the role, potential and value of advisory capacity relevant to the changing priorities in the organisation; and suggestions for how to manage advisory support in a way that optimises value for money.

**1.6** The next section describes the methodology in greater detail. Section 3 outlines the factors that explain staffing decisions in DFID. Section 4 explores the findings from the case studies (presented in Annex 1) and section 5 outlines some of our findings on value for money. We then draw conclusions and recommendations from the analysis in Section 6.

## 2 Methodology

**2.1** The study revolved around a series of semi-structured interviews and sequential, iterative elements.’ The overall approach and the interview questions in particular were informed by a scoping of the academic and theoretical literature on issues relevant to advisory capacity in development agencies. However while this literature serves as a useful background to this study, there is very little which is of direct relevance to this topic.

**2.2** The first set of interviews focused on the different models at a general level. Interviewees were selected for having long experience of working in DFID in order to ensure that they have had direct personal experience of a number of different models of advisory capacity. Although health and education were the main sectors of focus, advisers from various cadres were interviewed in order to provide a rounded perspective on the issues. In addition, other interviewees who may not have worked in an advisory capacity for DFID, but have had experience of working closely with DFID advisers in-country (for example colleagues working in other donor offices, and in resource centres) were selected.

**2.3** Following the first round of interviews a number of country cases were agreed with DFID for more in-depth study to better understand the operational experiences with these models and the rationale behind key decisions on advisory capacity. Ghana, Mozambique, Tanzania, Nepal and Bangladesh were selected based on the fact that the country offices had transitioned through more than one model of advisory capacity.

**2.4** The interviews in each country were focused on well-informed people within DFID as well as donors and governments. The cases were developed and sent in draft to the country offices and key interviewees for further discussion. The full cases are found in Annex 1.

**2.5** The insights from the case studies were then brought together with those from the initial set of general interviews, and some further general interviews carried out in parallel with those studies. Throughout, ‘grey literature’ was collected – largely relevant documents, reports and information on issues relating to advisory capacity in DFID, such as staffing figures, country programme evaluations, portfolio reviews, etc.

**2.6** The study does not provide a complete assessment of the efficiency, effectiveness, or value for money of different advisory models. However, by focusing on different models within the same country context it has been possible to investigate the costs of different models and to consider their achievements against their objectives.

## 3 Drivers of change

**3.1** Ultimately, decisions about staffing country offices and employing advisory capacity to fulfil these objectives are the responsibility of the heads of office (HoO). There is a high degree of freedom in terms of grades, types of post and job description, and embedded principles of adapting the workforce and specific posts to meet business needs, and matching positions to the specific circumstances faced. As a result, in order to understand the emergence of different advisory models one must understand the factors that shape HoO's decisions, along with issues relating to the standing and progress of advisory members of staff in DFID. The following list outlines some of the main drivers that explain the evolution of the advisory models found in DFID:

1. Probably the most powerful driver in DFID over the period covered by this study was the government-wide **'doing more with less' agenda**. In DFID's context, this translates as a requirement to cut administrative costs year-on-year, against the background of increasing aid budgets. Despite calls from the OECD-DAC<sup>4</sup> and various country programme evaluations<sup>5</sup> for DFID to be wary of cutting the number of front line technical staff, the pressure on headcount has nonetheless been felt strongly at country level, with many interviewees citing it as a significant factor behind staffing decisions in-country.
2. Another important driver has been **aid effectiveness imperatives** outlined in the Paris Declaration. One way in which this has been taken up in DFID country programmes, is in attempts to rationalise the numbers of donors actively involved in each sector by conducting joint donor assessments to agree a division of labour between donors across the various development sectors.
3. **Trends in aid delivery modalities** are also important. On the one hand, there has been a **move 'upstream' in aid** over the last ten years, from project-focused aid, to Sector-Wide Approaches (SWAs) and then to sector budget support (SBS) and general budget support (GBS). Our interviews confirm that engaging in new aid modalities has placed different demands on country office staff, as instead of focusing on individual projects with quite focused technical concerns, country offices have had to engage in high-level policy dialogues around GBS, on strategic and cross-cutting issues such as public financial management, audit and procurement and on the aid architecture and results.
4. However, there are some indications that there is an emerging demand from partners for donors to **refocus on the provision of sector specific and specialised technical capacity** in areas such as health and education in order to address the constraints that prevent money allocated in sector budgets being turned into effective public services. These include weak sectoral institutions, broken supply chains and systems and poor equipment, infrastructure and incentives for health and education workforces.<sup>678</sup>

<sup>4</sup> OECD (2010) 'The United Kingdom: Development Assistance Committee (DAC) Peer Review', <http://bit.ly/9wUnsu> While 'doing more with less', DFID should: Maintain DFID's front-line (programme) staffing levels and keep a critical mass of expertise in-house, including sector specialists. This will mean developing further DFID's medium-term workforce planning system.

<sup>5</sup> E.g. Cambodia <http://bit.ly/cB8yTf>

<sup>6</sup> A wide-ranging review by the ODI suggests that SBS in practice suffers from a 'missing middle' – where the quality of service delivery has suffered partly due to the lack of specialised sector knowledge in donor offices (see Williamson, T. and Dom, C. (2010) *Sector Budget Support in Practice: synthesis report*, London: ODI <http://bit.ly/bbrFPt>)

<sup>7</sup> For example the World Bank has argued that the reduction in technical capacity in donor agencies is seen as a danger to the effectiveness of international aid spend on education (see Fredriksen, B. (2008) *The Evolving Allocative Efficiency of Education Aid: A Reflection on Changes in Aid Priorities to Enhance Aid Effectiveness*, prepared by the WB for the eighth annual high-level group meeting on EFA, 16-18 December in Oslo, Norway <http://bit.ly/dkNOd9>)

5. In addition, there has been a **move towards promoting interdisciplinarity, cross-sector working**,<sup>9</sup> and therefore multi-sector posts. This trend can be seen in the emergence of 'results advisers', 'poverty advisers', MDG advisers etc.
6. In this context the **objectives or functions of advisers in DFID have changed** –and Heads of Office and others have responded accordingly. Discussions with interviewees suggest that the main functions of advisers can be grouped around the following categories:<sup>10</sup>
  - Being responsible for technical inputs to conceptualising, designing, and appraising DFID bilateral programmes, and for influencing policy;
  - Influencing policy with a view to leveraging spend in relation to both partner governments and other donors;
  - Overseeing the implementation of programmes, monitoring work and making course corrections;
  - Fulfilling corporate responsibilities such as responding to requests from parliament or the public, preparing briefings to ministers, or providing information to others within government or DFID.

**3.2** There have also been a number of developments in wider Corporate and HR policies in DFID that have relevance. First, as DFID has placed more emphasis on defining core competencies and on ensuring they align with corporate strategy this has led to a stronger emphasis on management skills and experience. An early example of this was the 'triangle model' set out in 2001 in response to the changing nature of DFID's work which specified that ideally all staff should have a mix of: "general knowledge of fundamental development issues; specific expertise in some defined area; and process and influencing skills"<sup>11</sup>.

**3.3** Second, the setting up of Policy Division in 2004 marked a major change in direction for DFID with the ending of the Chief Advisers role and the greater focus on corporate objectives and strategy that would henceforth cascade down the organisation. This is perceived to have had many positive benefits in terms of ensuring policy work is rigorous, evidence based and closely linked to corporate priorities; but it is also perceived as weakening the management of sector specific advisers and professional groups.

**3.4** These developments appear to have contributed to the perception that Heads of Profession have less capacity and authority to plan and enhance the development of DFID's technical and sector specific skills and expertise and to promote the sharing of knowledge. According to the HOPs' review<sup>12</sup>, the ability of HOPs to effectively manage their cadres has been weakened in recent years, and many interviewees argued that there was now less quality control on the technical performance of advisers and a lower threshold for project approval. With increasing numbers of advisers having to show more than one area of professional experience, the task of managing professional cadres has also become more difficult, as each now contains a wide range of expertise and specialisms. The growing breadth of subject areas and the increased requirement to

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<sup>8</sup> For example, the World Bank Initiative argues that successful reforms to strengthen health systems require communities of practitioners with similar reform goals to facilitate the transfer of state-of-the-art technical knowledge (see WBI (2010) *Focus on Health Systems Strengthening*, WBI <http://bit.ly/c7TOge>)

<sup>9</sup> Bovill, C. (2009) *Rhetoric or reality? Cross-sector policy implementation at the UK government Department for International Development*. Policy and Politics, 37 (2). pp. 179-199. ISSN 0305-5736 <http://eprints.gla.ac.uk>

<sup>10</sup> There was considerably less consensus from all concerned on what factors are required and what must be in place in order to enable advisors to fulfil these functions effectively, and also on the issue of what the effects of properly functioning advisory capacity can be (i.e. what value is delivered in terms of 'impact').

<sup>11</sup> (2001) Chief Advisers' paper : Organisation of Skills and Knowledge for DFID's new agenda : 4 June 2001, for the DFID Management Board - 6 June 2001

<sup>12</sup> *Professional Excellence in DFID* (May 2010)

broaden expertise were also noted as concerns in another recent report<sup>13</sup>. Several interviews suggested these various developments had changed internal incentives so that generic management skills were now relatively more important for promotion and career development and advisers saw their HoPs has having much less influence than before on their career progression<sup>14</sup>.

**3.5** Overall, there is a perception that less value is being placed on professional knowledge and advisers. There have been some other indications that advisers are undervalued in DFID, as the value of their technical knowledge and professional development has not been paid adequate attention<sup>15</sup>, and in relation to releasing their potential to embed learning and evidence-based improvements to programmes and policies<sup>16</sup>. A number of interviewees commented that there has also been a changing profile of individuals filling advisory posts. This concurs with a perception among some DFID staff and partners that whereas a decade ago DFID advisers had substantial professional background and experience, recruited mid-career and of an older age, advisers are being recruited earlier in their careers with less experience, and are unable to offer advice with the same depth (especially where they are expected to cover a number of sectors). Unfortunately there was not available data to confirm or reject the basis of these views.

### Trends in the use of advisers

**3.6** These factors have affected the composition of the advisory cadres and the nature of advisory positions, particularly health and education advisers, in DFID country offices. These are examined in more detail in the next section.

### Advisory numbers

**3.7** The first point to make is that it has proven very difficult to get a clear and definitive picture of the trends in advisory numbers in DFID. As previous reports have noted, there is no standardised data available,<sup>17</sup> and there appear to be significant differences between different sources of information.

**3.8** The most wide-ranging information on the issue comes from information provided to us from DFID's database, presented in Table 1. This appears to suggest that there has been a 24% reduction in the overall numbers of advisers, from 480 to 363, between 2006 and 2010. This compares to a reduction of 11% in HCS staff overall during March 2006-March 2009.<sup>18</sup> Within this, the number of advisers in the health and education cadres remained at about 12% of the total, but dropping from 69, in 2006, to 44 in 2010.

**3.9** Considerable caution must be applied in interpreting this data, however. The figures are generated by word searches of job titles listed on DFID Connect and inputted by staff themselves<sup>19</sup> – therefore, there could be advisers who have not defined themselves as such, it may be that staff changing jobs within the year are listed more than once, and in addition a number (ranging from 15 in 2006 to 74 in 2010) simply defined themselves as "advisers" without saying which specific professional cadre they belong to. Also, many past and present members of the advisory groups may currently be working in general

<sup>13</sup> Pycroft, C., Chalinder, P., Walshe, M., Leith, J., Spafford, S. and Wilson, P. (2010) *Enhancing knowledge management across the cadres in DFID: phase one report*, 30 June 2010.

<sup>13</sup> Jones, H. and Mendizabal, E. (2010) 'Strengthening learning from research and evaluation in DFID', report for IACDI, September 2010 [link]

<sup>14</sup> *Professional Excellence in DFID* (May 2010)

<sup>15</sup> Pycroft et al (2010)

<sup>16</sup> Jones, H. and Mendizabal, E. (2010) 'Strengthening learning from research and evaluation in DFID', report for IACDI, September 2010 [link]

<sup>17</sup> For example an evaluation of the HIV strategy noted this, section 8.17 <http://bit.ly/bCVi7P>

<sup>18</sup> DFID annual report 2009 vol 1

<sup>19</sup> This came from a standard report which was the best available given time and resource constraints.

management or other posts, and there are also significant numbers seconded to other organisations but which are not recorded in some of these categories.

**Table 1: Headcount of advisory groups: 2006-2010**

Advisory Groups	Oct-06	Mar-07	Mar-08	Mar-09	Sep-09	Mar-10	Sep-10
Communications		3					
Economics	110	102	105	80	73	69	64
Education	22	22	27	21	22	19	18
Environment	17	14	22	14	19	16	14
Governance, Conflict and Humanitarian	100	101	111	84	93	85	78
Health	47	45	45	32	35	29	26
Infrastructure	26	29	27	19	20	15	11
Private Sector Development	20	16	12	7	14	3	3
Rural Livelihoods	40	41	29	24	31	24	19
Social Development	62	54	52	43	46	44	36
Statistics	21	22	21	14	16	15	20
Unspecified	15	28	9	46	9	55	74
<b>TOTAL</b>	<b>480</b>	<b>477</b>	<b>460</b>	<b>384</b>	<b>378</b>	<b>374</b>	<b>363</b>

HCS (in headcount staff) only

**3.10** The Heads of Profession for health and education provided another set of figures. This listed 30 members in the education cadre and 48 in health as of 30<sup>th</sup> June 2010. The difference between the data sets cannot be reconciled without further work. This illustrates the difficulties facing attempts at workforce planning for professional groups in DFID.

**3.11** It is difficult to make firm statements about these broad trends due to the data limitations mentioned above. Although unreliable as an absolute measure, the information provided does suggest that the total number of advisers has probably been dropping at a time when overall bilateral spending was rising, at a faster rate than overall reductions in DFID staff numbers, and amounting to an increase of 63% in the average bilateral spend per adviser<sup>20</sup>. This would be consistent with perceptions of interviewees that there is a 'squeeze' on the numbers of advisers in DFID and higher workloads for in-country advisers. There are some suggestions that this trend could be more keenly felt in the health and education cadres, since the sectors have been rising in importance in DFID<sup>21</sup>, while the numbers in their cadres dropped.<sup>22</sup> However this begins to stretch the limit of what can be inferred from highly imperfect data.

### Types of advisers

**3.12** A major development has been the growth of so-called "hybrid" or multi-sectoral advisers. According to a recent mapping, within the Africa Directorate 34% of human

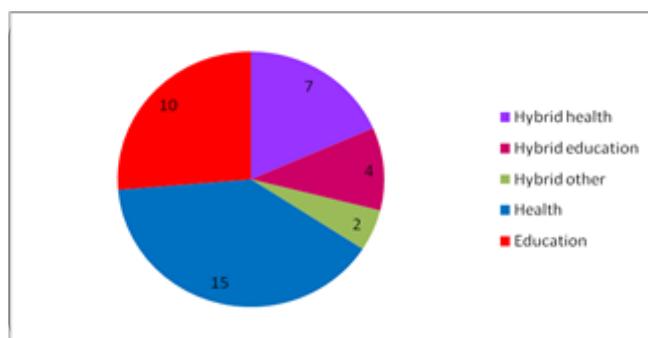
<sup>20</sup> Between 2005 and 2009 it rose from £2,655 million to £3,288 million, an increase of 23.8%. Source: table on Total DFID and GPEX Expenditure by Broad Sector, <http://bit.ly/9ZwAax>

<sup>21</sup> Interviewees reported that health and education had been rising in importance in DFID since they represented areas where the MDGs were off track and where DFID has perceived comparative advantage (e.g. the Fast Track Initiative in education, and GFATM commitments in health).

<sup>22</sup> If the figures on the relative change in size of health and education cadres were roughly accurate then this would be equivalent to the average amount of bilateral sector spend overseen by each health or education advisor rising by more than 150% in this period. The combined DFID bilateral programme spend on health and education has gone from £680 million to £1,135 million between 2004 and 2009; this represented an increase from 30.9% to 34.6% of the total bilateral programme spend. Using the HR figures above, spend per advisor increased from under £10,000,000 per advisor in 2006 to over £25,000,000 in 2010. Calculated from aforementioned figures on bilateral spend and advisory numbers, and hence the previous caveats must be taken into account.

development posts based in DFID are considered 'hybrid', while 26% are education specific and 39% are health or HIV specific (i.e. 13 hybrids compared to 10 education advisers and 15 sector specific health advisers and, not including seconded staff). This is consistent with the views of interviewees who expressed the view that the number of advisory posts which covered a number of different sectoral areas, or a number of areas of expertise (e.g. results advisers, MDG advisers, etc.) has increased dramatically over the past 10 years in DFID. Interviewees also reported increasing instances where DFID responsibility for a sector has been delegated to other donors, i.e. where DFID spend in a sector is overseen by an individual in a partner organisation.

**Figure 1: Composition of Advisers in Africa as of 30 June 2010<sup>23</sup>**



**3.13** A number of different 'models' of advisory capacity have therefore emerged over the last decade. These have been developed by heads of office in attempts to optimise their staffing in the context of the drivers set out above.

<sup>23</sup> From 'Hybrid Posts, secondments and the Future of the Health and Education Cadres: Consultation Note', by S. Mshana, C. Berry and J. Lane, January 2010

## 4 Experience with advisory models

4.1 In this section we review DFID's experience with different advisory models in health and education over the last decade. Our analysis draws on interviews with DFID staff in HQ and in selected overseas offices as well as recent DFID reports on influencing and value for money, and other sources<sup>24</sup>. The five detailed case studies are presented in Annex 1. Although in each case a particular model was identified as the focus of analysis, **in most cases more than one model is described; and often more than one model has been employed at the same time**. The cases we have examined are:

1. Ghana: delegated co-operation/silent partnership in health.
2. Tanzania: hybrid social sector adviser with a focus on education.
3. Mozambique: human development team and senior adviser focused on health.
4. Bangladesh: human development teams and hybrid adviser with a focus on education.
5. Nepal: basic services adviser and delegated co-operation.

4.2 The cases set out the timeline of events in the sectors and the staffing arrangements adopted. Our aim was to **compare the intended objectives** (described in section 3) **of the advisory model adopted with the actual experience**. The terms of reference also required an **assessment of the strengths and weaknesses** of the various models as revealed by this experience. We have therefore summarised the main points against each model below.

### The advisory models

#### Sector Specific Advisors

4.3 The single sector advisor in DFID has typically focussed solely on health or education and, depending on the context and on seniority, would take on additional programme management or staff management roles. For example, in DFID East Africa prior to the establishment of full country offices in Tanzania and Uganda, Senior A1 Health and Education Advisers developed the strategy for DFID engagement in these sectors and supervised the advisory staff that worked in those countries. They would also contribute to the management of their DFID programmes including the reporting of performance and spending. Under this model, advisers were expected to engage closely with partner governments, to support the development of appropriate sector policy and programmes and to help promote donor coordination.

4.4 This was the broad approach in the early part of the decade in Ghana, Tanzania and Bangladesh, and until 2007 in Nepal. Interestingly, in Ghana and Mozambique the **DFID offices have taken a decision to revert back to having two sector specific advisors** based on concerns that the drive to reduce administrative cost savings had gone too far. The rationale for this decision was the need to ensure more effective engagement with donors and the partner government in both sectors.

4.5 In practice, the hybrid post in Mozambique (called a human development adviser) was already focussing mainly on the health sector and was acting rather like a sector specific adviser.

4.6 Government and donor partners interviewed for the study were consistent in their assessments that the main **strengths of the sector specific adviser** were:

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<sup>24</sup> See for example, Williamson, T. and Dom, C. (2010) *Sector Budget Support in Practice: synthesis report*, London: ODI.

See Human Development Performance Review Mozambique : Results and Value for Money HDSRC 2010. Also DFID Influencing in the Health Sector Evaluation Department Working Paper No 33 Nov 2009

- The quality of the support for the development of sector policy and programmes.
- An understanding of sector issues and operational constraints.
- Their professional credibility with government and donor partners.
- Bringing relevant good practice and sector knowledge from other developing and developed countries.
- Providing capacity to partner governments to address service delivery constraints.
- Ability to influence and play a leadership role with donor partners.
- The strong contribution to ensuring value for money and effective assessment of results.

**4.7** These strengths were highlighted in several of the case studies and DFID HQ interviews. Sector specific advisers were generally seen to provide professional credibility, relevant sector experience and to have sufficient time to build up trust and develop partnerships with governments and donors. As a result, they were able to influence policy and resource use in the sectors where they engaged. There was clear evidence of important contributions to policy and sector programme design being made, for example in maternal mortality in Nepal, the human resource development plan in Mozambique and the development of the SWAP in Health in Tanzania (see case studies in annex).

**4.8** The health portfolio influencing study<sup>25</sup> and the recent value for money report in Mozambique also highlighted the critical role that sector specific advisers (or human development posts that were predominantly devoted to one sector) had been able to play by contributing to establishing harmonised donor structures for policy dialogue and arrangements for basket funding mechanisms to align donors more directly with government systems.

**4.9** Government and donor representatives interviewed for the present study also emphasised the importance of retaining a “critical mass” of donors that could bring sector specific knowledge and expertise to the policy dialogue. In some of the case studies there was a concern to have access to 3 or 4 core donors, one of which would act as the lead donor to the group on rotational basis with the others providing supporting inputs. Because DFID is often seen as being an effective lead in Ghana and Tanzania, the partner governments were disappointed when DFID withdrew their sector specific advisers from health. Although they acknowledged that other donors could also provide advisory inputs, the critical issue was whether the gap was actually filled. DFID’s influence and leverage has diminished in both cases.

**4.10** Interviews in the case study countries suggest that the need to enhance sector institutions, systems and incentives is commonly seen to be a major challenge. This finding echoes the conclusions of the recent SBS study<sup>26</sup> about the need to address the so called “missing middle” between resource allocation and service delivery. In several of the cases, sector specific advisers were considered by partner governments to be crucial to ensuring that constraints on the quality of service delivery were being addressed.

**4.11** The same perception is growing amongst commentators in the UK. For example, Lord Nigel Crisp (former Chief Executive of the NHS and Permanent Secretary of the Department of Health), recently argued at an ODI public event (based on international research to develop the Global Health Workforce Alliance) that ‘international development’ should be used as a vessel or framework to support professional to professional discussions – in his interactions with ministers of health of African nations

25 Clarke, J., Mendizabal, E. et al. (2009) *DFID influencing in the health sector: A preliminary assessment of cost effectiveness*, ODI Report, London: ODI

<sup>26</sup> Williamson, T. and Dom, C. (2010) *Sector Budget Support in Practice: synthesis report*, London: ODI

he suggested that is always asked for 'the person who manages for financial systems in the NHS', of 'send us people who can run our pharmacy logistics'.

**4.12** The case studies highlighted several examples of concrete and value adding inputs by DFID Advisers. For instance in Bangladesh, the DFID funded Outcomes Coordinator (but focussed mainly on education) assisted the government to develop plans to improve classroom learning and thereby enhance education quality. The Nepalese Government and the sector donors also highlighted the importance of understanding operational constraints on service delivery in the health sector in that country and the valuable contribution that DFID sector specific advisers had been able to make for example in proposing financial incentives for staff and the abolition of user fees in maternal mortality services.

**4.13** Interviews in DFID HQ and the cases suggest there are **potential weaknesses associated with sector specific advisers** that can make it less appropriate in some circumstances and contexts. In particular:

- There is a perception that a strong single sector focus may lead to an overemphasis on the sector and limit cross-sector learning.
- Maintaining sector specific advisers in the main sectors that DFID remains engaged may lead to higher administration costs compared to alternative arrangements and thus becomes difficult to justify,<sup>27</sup> in a context of increasing pressure on admin costs.
- It may be difficult to ensure that sufficient contribution is made by sector specific posts to DFID corporate requirements or programme management when these have fallen outside of their sector focus.
- In some cases, very specific technical advice and expertise may be more cost effectively provided by consultants and technical assistance; although sector experts may be more capable of securing the right services.

**4.14** However, as in the other models, many of these weaknesses or challenges can be mitigated. For example, sector specific advisers can be encouraged to apply cross-sector knowledge by attending annual human development retreats where such experience (at least across health and education) has been systematically shared between advisers.

**4.15** The case studies point to savings in administration costs from reducing the overall number of HCS sector specific advisers and moving to new structures or teams which involve fewer senior staff and a mix of hybrids and cross-sector programme management posts (see below). However, there has also been an accompanying increase in the use of programme funded advisory posts including for example, where DFID staff have been placed in other donor organisations. If some or all of these costs are considered part of the total staffing support to DFID country programmes, then the overall financial saving to the UK taxpayer of moving from sector specific HCS posts to alternative staffing configurations (including programme funded posts) may not be as large as originally anticipated. There may also be less visible costs for other arrangements for example having to devote additional staff time to supposedly 'silent partnerships' (see below).

**4.16** As corporate demands have grown for Ministerial briefings, results management and specific concerns, for example, about fiduciary risks, these aspects have become much more central to the role of advisers. It has inevitably become more difficult to balance these requirements with the time spent by sector specific advisers on influencing partner government's policies and programmes. However, it is noticeable that the Ghana office expects the current senior education and health advisers to play a significant corporate role in addressing fiduciary risk and performance reporting.

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<sup>27</sup> However, as we will see later, the savings may counterbalance when considering the real cost of employing other models.

**4.17** The imperative to address new Ministerial priorities has led some overseas offices to designate posts which have an even more specific focus on issues or sub programmes and services within a sector; for example in addressing maternal mortality. This can potentially allow for both a dialogue around policy and programme design as well as operational issues. The Ghana office has used a sector specific health adviser post to fulfil this role; the Nepal office has a split post shared with Policy Division to meet these requirements.

In most of the cases examined, sector specific advisers were required to provide strategic advice on options to partners (e.g. on education methods or health user charges) rather than undertake specific technical studies. There were typically two main models: one involved the sector specific adviser bringing in short term consultants or regional advisers from HQ (e.g. user charges in health in Ghana, Mozambique and Nepal; and approaches to learning in education in Bangladesh) and the other involved using consultants (e.g. for capacity development and abortion services in Nepal).

#### “Hybrid” Human Development and Basic Services Posts

**4.18** As described in the previous section “hybrid” posts take several different forms but the most common characteristic in the cases we examined was the multi sectoral nature of the posts.

**4.19** The hybrid post examples have a number of common themes but with interesting variations:

- Human development advisory posts that represent DFID in 2 or 3 sectors (usually health and education with limited inputs on water/sanitation). This involved a lead adviser role in one sector and effort to engage, monitor and report on progress in others (e.g. Mozambique and Ghana). Team leadership within DFID was also part of the responsibility.
- Social sector adviser posts like the team leader post used in DFID Tanzania to provide a strong focus on all aspects of the service delivery chain in human development sectors. Since its inception, policy advice on the education sector has been explicitly prioritised with a watching brief in health and water and sanitation. Health has been described as a delegated partnership but initially at least, in “close tracking mode” (i.e. direct monitoring by DFID). There is also a requirement to work with other DFID Tanzania advisers on PFM and core public sector reforms.
- Basic services posts that require a similar emphasis on public service delivery but with a particular focus on cross-cutting and generic governance concerns, especially core budgeting, planning and PFM systems, effective institutions and management of fiduciary risks around budget support. Nepal provides an example, and the incumbent in Nepal, for example, is a health adviser with a strong background in governance.
- Outcomes coordinator. This is the approach in Bangladesh which places the emphasis on internal DFID team leadership and management for results but still requires a strong sector lead – currently in education.

**4.20** The **strengths of the hybrid approach** include:

- A stronger link between upstream policy issues around GBS and the use of government resources in the human development sectors.
- Increased attention to cross-cutting constraints in partner countries that affect health and education.
- In some cases, an increased (or perceived increased) cost efficiency from covering more than one sector at a time.
- The ability to transfer good practice easily from one human development sector to another.

- The increased ability to focus on corporate priorities and management for results across a number of sectors.

**4.21** The cases and interviews highlight how hybrid posts have been able to increasingly concentrate on cross-cutting policy issues that affect all the human development sectors. Box 1 highlights the positive Chinese experience. Another example is Tanzania where there were concerns about the quality of public expenditure management and especially of planning and budgeting in the health and education sectors. Support from the hybrid adviser helped improve performance monitoring, planning systems and public expenditure reviews in both sectors.

### **Box 1: Hybrid advisory position in China**

DFID China operated a model with one advisor covering health, HIV and education, which was perceived as a considerable success. The main strengths of the model were seen to be, from a corporate perspective, that hybrids proved to be a way of reducing costs while still keeping some frontline capacity. In order to avoid overload, the advisor was supported by a number of highly competent SAIC staff. Secondly there was considerable value in working on related issues across sectors; by working on issues in various sectors the advisor was able to take into account the broader picture, see the interplay between sectors make links between them. For example, in multi-donor meetings with the ministry of planning he was able to draw parallels from HIV to education about partnership models, and in another case he was able to help the transfer of a partnership model of working with local government from the ministry of health to the ministry of education. Finally, the advisor reported that he found the arrangement professionally very rewarding. The value of the hybrid's contributions in both health and education sectors can be evidenced by a 360 appraisal, where professionals in both the health ministries and education ministries of the Chinese government praised his contributions, and if anything there was more positive feedback from education.

Based on the experiences, however, a number of potential pitfalls were identified. The interviewees argued that engaging in dialogue on SWAPs and GBS does not require less expertise, if anything it needed more. It can be important to ensure that staff covering new sectors are given sufficient time and support to get technically up to speed – in this case, the advisor reported that it took 2 years to fully get to grips with the issues. The competent support from SAIC staff was essential as well, providing reliable team members to delegate tasks to and provide back-up to prevent overload. In absence of sufficiently qualified SAIC staff, independent consultants or assistance from UK-based advisors could have helped.

**4.22** In Tanzania and Mozambique there were also major issues relating to the size, deployment, pay and incentives frameworks of the health and education workforces. The human development adviser in Mozambique aimed to feed sector concerns into GBS discussions and was able to push the development of a health workforce plan.<sup>28</sup> In Tanzania the social sector adviser was able to identify sector reform issues and institutional constraints and feed them into the GBS annual review whilst using HQ advisers to reinforce country office expertise when health and education sector reviews were undertaken.

**4.23** The introduction of hybrids has usually been associated with the restructuring of overseas offices to improve cost efficiency. In the cases we examined, adopting the model appears to, at least initially, have helped to reduce the number of senior posts and led to savings in administration costs.

**4.24** Interviews with the governments and donors also reveal a consistent picture of the transfer of experience between sectors being facilitated by hybrid posts. There were several examples in the cases we examined, including the transfer of performance results frameworks and reporting formats in Mozambique and Tanzania, and good practices from SWAPs in other sectors. In Nepal there are examples of health sector

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<sup>28</sup> It should be noted, however, that the hybrid post in Mozambique was a health sector expert.

learning from education sector experience of the joint financing arrangement and education learning from health in procurement.

**4.25** Hybrid posts, it is perceived, may also enable a stronger focus on corporate priorities. However, some interviews in DFID HQ and in country offices also stressed that the value for money aspects required a technical knowledge of the sector to define the logic chain and indicators for the inputs-outputs-outcomes from a programme that some hybrid posts may not be able to provide: “you need to have a strong technical knowledge of the sector in order to fully appreciate the links between inputs, outputs and impact” one person put it. For example, the Human Development Adviser in Bangladesh has a key role in developing the results framework and coordinating DFIDB reporting on performance as well as developing suitable approaches for assessing value for money in education and health. This was possible because the individual was an experienced senior education adviser and another DFIDB staff member could cover health.

**4.26** The **weaknesses of the hybrid approach** drawn from the cases are:

- Hybrids could be less effective when used to influence policy and provide a sector specific contribution (e.g. considering options for sector programmes) in two or more sectors at once.
- Most importantly, there are dangers of work overload due to the breadth of job descriptions involved.
- The tendency for hybrids to take on management and DFID corporate duties can crowd out time available for sector dialogue and meetings.
- The switch to a hybrid post can leave a gap in the sector policy dialogue and a need for donor partners to fill any technical or sector specific knowledge gaps.

**4.27** There has been strong and consistent feedback from DFID HQ and the country case study interviews that it is unrealistic to try and use “hybrids” to undertake a substantial engagement (i.e. policy influencing and donor coordination) across several sectors at once. Choices need to be made, activities prioritised and time allocation carefully planned to ensure that these posts are manageable. Even where there has been a predominant sector it has been difficult for hybrid advisers to meet the demands of other sectors because they often do not know enough about them – which can also make it difficult to ‘buy in’ the technical knowledge. Using supporting staff in a team based approach can potentially get around these problems.

**4.28** Where hybrids are used to contribute on cross-cutting issues across sectors this can also cause workload problems unless job descriptions are carefully drafted and time allocations are made. Workload pressures were significant in Tanzania, Ghana and Nepal, and very widely reported in the interviews in DFID HQ.

**4.29** Transitional arrangements need to be carefully planned when sector specific advisers are replaced with new hybrids. Sector donors want clearer signals of DFID’s intentions and help to plan how gaps can be filled.

### Human Development Teams

**4.30** DFID overseas offices are also adopting a team based approach to support senior sector specific or hybrid advisers in their work. The approach in Mozambique and Bangladesh has been to use a senior hybrid adviser with a strong sector specific background (health or education) and to provide a team that includes sector specific support in the other sector and capacity to monitor performance and value for money. In both country programmes, additional expertise is also available from staff with background in governance and economics.

**4.31** A similar approach has been used in Nepal and Tanzania, although in both cases the senior staff who are acting as team leaders have focused on providing cross-cutting advice related to sector based approaches, aid effectiveness and governance issues including public financial management. In both cases more specialised advice is also available from sector specific staff on maternal mortality.

**4.32** On the basis of our interviews and case studies the **strengths of the human development team approach** are:

- It allows the team leader to focus mainly on one sector whilst team members lead on the other. Team leaders can concentrate on setting the broad strategy and direction for results management whilst team members carry out routine monitoring and reporting.
- Cross-cutting and specialist inputs can be provided in a flexible way and as needed depending on the natural ebbs and flows of the policy context.
- An integrated strategy and approach can be produced for human development that maximises cross-sector lesson learning.
- The model recognises the complexity and dynamism of policy dialogue and development processes that may at some time and at short notice demand more support in one sector than another.

**4.33** The adoption of a team based approach has worked very effectively in Mozambique where the DFID office has played an influential role in the health sector led by the hybrid Senior Human Development Adviser while the rest of the team was able to make a more focussed contribution around school construction costs in the education sector. The hybrid adviser in Bangladesh is acting as team leader and sector adviser in education with a SAIC adviser with health and governance expertise also available in the team.

**4.34** Both the Nepal and Tanzania office have well defined basic services teams offering a flexible range of support and all reporting to the adviser. This has allowed a more strategic and integrated approach to planning DFID interventions in social services and has been able to accommodate more sector specific inputs as well.

**4.35** Some of the potential weaknesses of the team-based approach are:

- Human development teams may be unable to meet partner governments' or donors' expectations for sector specific dialogue and support across all the sectors they are covering at the same time. Other donors or consultants need to fill the gaps.
- The team based approach can be undermined by weaknesses in people and time management as each team member usually has only a percentage of their time allocated to this, crucial, role.
- Teams may take time to build and develop –and special attention needs to be placed on recruitment and on-the-job training and capacity development.
- Managing teams over medium to long term periods may in it increase administrative costs and require additional resources devoted to knowledge management.

**4.36** In Mozambique, Ghana, Tanzania and Nepal partner governments were initially concerned about the changeover by DFID to using hybrid advisers and/or team-based approaches. Many interviewees made the point that team work takes time to build up, and that it is essential to ensure that job descriptions are realistic (especially in terms of the percentages of time expected of team members compared to the tasks they are given). However, in the case studies these concerns were usually overcome by effective communication and increasing recognition of the contribution that could be made in cross-cutting or upstream issues relating to SWAP design.

### Delegated Co-operation (Silent or otherwise)

4.37 During the review we examined delegated co-operation partnerships in Ghana, Nepal, and Bangladesh and more briefly in Uganda. In Ghana there was a silent partnership with the Dutch Government representing DFID in the health sector. In Bangladesh, DFID remained involved in financing the first primary education sector programme but encouraged the Asian Development Bank and The World Bank to take the lead role on behalf of the donors. In Nepal, DFID has seconded a DFID staff member to the European Commission and has channelled its education sector funding through that donor. Our case studies also revealed some insights into silent partner arrangements in water and sanitation.

4.38 Interviews suggest that there are some important potential benefits from such partnerships with other donors but that in most cases these have failed to fully materialise. The main **strengths of delegated co-operation partnerships** are:

- Increased focus of DFID country programmes as the strategic partnership allows exit from some sectors.
- As a tool for implementing the Paris Agenda since donor partners can use silent partnerships and other delegated authority arrangements to develop a more explicit division of labour.
- Reduced transaction costs for partner governments, as they have to work with fewer donors.
- Reduced administrative costs as DFID staff can rely on other donors to represent and to manage and monitor sector programmes.

4.39 Despite expectations, strategic partnerships or delegated arrangements have not in fact allowed DFID to exit as planned in some of the cases we examined. In Ghana there were significant concerns around financial management and the tracking of health sector budget support previously provided by DFID. As a result DFID Ghana had to get more involved and has ultimately reverted to having a sector specific adviser. There were differences of position on some policy issues (e.g. user fees and bed nets) requiring additional DFID staff time to resolve. In Nepal concerns over fiduciary risks in the education sector also meant greater involvement than planned by the DFID office.

4.40 In Bangladesh a plan to reduce input from DFID led to education policy and programme development gaps that were not filled by other donors. This has now been rectified by DFID Bangladesh reengagement.

4.41 Delegated co-operation and silent partnership arrangements should in principle help to reduce transaction costs and partner governments have stressed their preferences for working with fewer donors. But the cases suggest that where DFID has tried to exit from the human development sectors this has been difficult to sustain. Programme funded secondments to other organisations can help address the lack of capacity as with the education adviser provided to the EC by DFID Nepal or the health adviser to be provided to the World Bank by DFID Mozambique. But this is likely to increase overall costs to DFID. There is also a difficult balance in deciding how much of the secondees time can be devoted to DFID related business and to ensure that workloads do not become excessive as a result of doing so.

4.42 The cases set out the position in more detail but the experience summarised above points to some important drawbacks in silent partnerships and delegated authority arrangements. We also examined the Ugandan experience (see Box 2 below). Feedback from past and present staff suggest that there were difficulties agreeing the tasks to be carried out, the proportion of the post holders time spent on EC and DFID business and the workload of the post was also high. In hindsight, the MOU setting out the agreement might have dealt more directly with these issues. Many of the DFID HQ interviews and

the Ghana and Tanzania health sector cases (see annexes) highlighted that the challenges involved in setting up silent partnerships were often underestimated, for example: there tended to be difficulties in the non-alignment of reporting systems between agencies and, crucial differences in policy positions between even 'like minded' donors. Often what may have been initially seen as a firm agreement and understanding about partnership arrangements can later unravel as in Uganda.

### Box 2: Silent Partnerships in Uganda

DFID seconded an Education Adviser as a Social Sector Adviser to the EC office in Kampala in 2003 to provide advisory support to the EC on both the health and education sectors and to represent both DFID and CIDA in the education sector; however, there was some ambiguity over the responsibility for EC health projects.

There were issues about the lack of alignment between the position of the various agencies involved in the education sector and over the proportion of the officers' time that was available to each. A review by the post holder suggested workloads should have been more carefully assessed and that the MOU should have set out the roles and responsibilities of the agencies and the adviser more clearly.

Source: Interviews and DFID documents

**4.43** On the basis of this experience the key **weaknesses of delegated co-operation arrangements** seem to be:

- Premature or poorly planned withdrawal from a sector can leave important intellectual and policy gaps that can reduce the impact of sector programmes. Bangladesh is an example of this.
- There can be important differences in policy position between DFID and the delegated donor. These can require systematic dialogue between DFID and the delegated donor to clarify positions to be presented to the government.
- Delegated partners may have different policy positions and aid systems. This can create tension and fiduciary risks can actually increase. This was the case in Ghana and to some extent in Nepal.
- Delegated authority arrangements can be difficult to specify and can lead to a lack of clarity over roles, responsibilities, relationships and levels of capacity that is actually available.
- Initial cost savings may not be sustainable because 1) DFID has had to re-engage when challenges have emerged, 2) this leads to duplication, and 3) setting up a new model may be expensive.

## 5 Value for money

**5.1** Value for money requires an examination of economy, efficiency and effectiveness in terms of the outcomes that are achieved with a given resource. In the context of the agreed approach to the study, it is possible to use the case studies to selectively examine the costs of the various advisory models and to broadly specify the outputs in descriptive terms.

**5.2** The annexes reveal that in the country programme case studies different models have been tried and have been continuously adapted to changing circumstances. Whereas in 2003 most of the case study countries tended to use sector specific advisers by 2010 there was much greater use of human development adviser and hybrid posts. The most recent developments in Mozambique and Ghana involve a move to restore the use of sector specific advisers with accompanying corporate duties or a specific focus on Ministerial priorities (e.g. maternal health).

**5.3** Changes in advisory models were usually part of a wider office reorganisation designed to reduce administrative costs and these exercises typically reduced the number and seniority of senior HCS posts. Greater use has often been made of locally employed SAIC staff and this has been a major factor in sustaining DFID capability. The table below summarises the overall costs of the staffing resource in human development over the period and the numbers of advisers in post in the case study countries.

**5.4** The costings are indicative only as they are based on unit costs for overseas and SAIC staff supplied by DFID HQ<sup>29</sup> rather than the country offices themselves.

**Table 2: Changes in HD staff levels and costs for the Case Study Countries: 2005-2010\*** (includes all A grade staff whether UK or SAIC\*\*and B1D)

Country	2003-5 Full time equiv	2004/5 Est Annual Cost £000	2010 FTE	2010 Est Annual Cost £000	Change in Staff	Change in Cost £000
Ghana	2 then 1	128	3	152	+1	+24
Mozambique	2	105	3.2	116***	+1.2	+11
Tanzania	2	128	2	90	-	-38
Bangladesh	4	250	3	144	-1	-106
Nepal	2	144	1.75	80 <sup>x</sup>	-0.25	-64

\*note costs based on numbers in post by grade multiplied by unit costs

\*\*SAIC posts are estimated at 50% of the UK unit costs

\*\*\* includes 20% a new programme funded health post used by DFIDM. Also assumes 20% of A1 advisers time on non sectoral activities for PRD and Corporate duties

<sup>x</sup> includes a programme funded post shared with PD and assumes only 0.25 FTE used for health. Also only 0.5 FTE of UK A2 is costed. Other post is SAIC Health adviser

**5.5** Over the period shown in the table:

- In Ghana staffing costs were reduced as a health adviser post was abolished but then eventually exceeded previous levels as DFID Ghana reverted to sector specific UK Home Civil Service (HCS) posts covering both health and education after concluding that the Dutch delegated partnership had severe limitations. There is some limited input from an HD team leader.

<sup>29</sup> The table is based on the unit costs provided by DFID for the relevant staff grade. Unit costs were provided for the DFID Working Paper on 'Influencing in the Health Sector 2009'.

- In Mozambique a human development team with sector specific expertise in education and health has been built up using SAIC staff plus some time from a programme funded adviser based in the World Bank but staff costs have increased only marginally.
- In Tanzania a sector specific UK HCS health adviser post was dropped and there is now a hybrid social sector adviser (education) with a SAIC social policy adviser. This has resulted in reduced staffing costs.
- In Bangladesh an initial team of 3 UK HCS health and education advisers and 1 SAIC was replaced with a hybrid outcomes coordinator (education adviser) backed up with SAIC staff. This has substantially reduced administration costs.
- In Nepal sector specific UK HCS advisers in health and education were replaced with a new team based approach using a “hybrid” basic services adviser backed up with a SAIC health adviser. A programme funded education adviser in the EC allowed DFID Nepal to reduce its in house advisory capacity. Overall admin costs fell as a result.

### Financial costs of alternative models

5.6 Table 2 requires careful interpretation but based on these developments and trends together with our interviews we can draw out some insights on costs and cost effectiveness of the various models:

- **Sector specific UK HCS** posts have been a relatively high cost option but their benefits are perceived to justify their costs (e.g. recent experience in Ghana). Also over the last decade the cost effectiveness of the sector specific role has increased where posts have also taken on management and corporate roles (e.g. the Outcomes Coordinator/Education Adviser in **Bangladesh and the Human Development team leader/health in Mozambique are indicative of this trend**). They have also sometimes addressed policy issues and options which might otherwise have required consultants. A good example is the dialogue on user fees in health conducted in Tanzania, Ghana and Nepal.
- **Delegated Co-operation/Silent partnerships** can have zero financial cost to DFID when other donors pick up the staffing costs. By 2005 the **Ghana** office had withdrawn from the health sector and had delegated representation to the Dutch. This allowed the office to reduce to only one adviser covering education. There was no cost to this arrangement for DFID. A similar arrangement was reached in **Tanzania** which allowed that office to reduce its staffing costs. But there are also examples where DFID has incurred costs to set up silent partnerships by seconding staff to other donors such as the EC (e.g. Nepal) and the Asian Development Bank (Bangladesh) to help them carry out a lead donor role.
- **Hybrid Advisers** covering more than one sector can create potential for savings in staff costs. In Tanzania and Nepal the combined effect of restructuring, making greater use of SAIC and the introduction of hybrids has substantially reduced admin costs. The Nepal office is employing a basic services adviser (50% FTE) to work on cross-cutting issues across the human development sectors and the Tanzania office previously employed a social sector adviser simultaneously covering education whilst monitoring health and other service delivery areas.
- **Human Development teams**, as in the case of Mozambique, could be expected to require higher staffing costs because of the larger number of posts involved. However this does not always follow as this can be offset by greater use of SAIC advisers which has kept costs down in Mozambique. The Mozambique office has a Human Development Team leader backed up by a

team providing sectoral and general management capability and **its overall costs are lower than** Bangladesh and Ghana.

### Effectiveness of alternative models

**5.7** Judging cost effectiveness also requires an assessment of the outputs and outcomes from each model. Going further to make judgements about whether one advisory model offers better results compared to another is not straightforward. For the most part, each of the advisory models has different objectives and planned outputs so their success needs to be judged primarily in terms of whether these objectives are obtained or not. Direct comparisons between the models are also difficult because they are mostly not direct substitutes or alternatives for each other. Indeed some DFID overseas offices often view the models as complementary.

**5.8** It has only been possible to judge value for money on a qualitative basis through systematic discussions with development partners in the case study countries and through feedback from DFID staff. The results are set out in detail in the case study annexes but in summary:

- **Sector specific** advisers' objectives have mostly been met. Feedback from partners in case study countries and HQ interviews suggested DFID has had a strong influence on policy development, promotion of donor coordination and aid effectiveness. In Ghana, Tanzania and Bangladesh education advisers have successfully influenced the quality of primary education. In Nepal the previous Health adviser has helped shaped policy and programmes on maternal mortality and in Ghana and Tanzania they are also working in this area. In all three countries DFID has influenced policy dialogue on health user fees. Recent studies in Mozambique have confirmed the positive outcomes from DFID influencing efforts (see case study in Annex 1).
- **Delegated Co-operation/Silent partnership** objectives have not been met in at least some of the cases we examined. In the Ghana and Tanzania health sectors we found that although the approach initially allowed DFID to lower levels of engagement and then exit from the sector, the capacity of the Dutch to take on the additional work was more limited than anticipated –and there were unexpected differences around policy and reporting issues. There was also a loss of DFID influence and to monitor developments and results satisfactorily required additional resources and ongoing effort by both DFID offices. In Bangladesh the silent partnership led to a major design flaw in the primary education programme which failed to address quality issues. Although there are more positive signs in education in Nepal, the DFID office has still maintained a close monitoring role due to concerns over fiduciary risk.
- In water and sanitation DFID typically allows other donors to lead. We examined some cases where DFID has been channelling funds to water and sanitation successfully for other donors to lead the dialogue and implementation. DFID offices in Mozambique and Bangladesh reported that these delegated arrangements seemed to work well and there was feedback on progress made. Nevertheless in operating at arm's length DFID had no influence on policy or the direction of sectoral programmes and some staff were not sure DFID spending was achieving full value for money. However in such fully delegated sectors the assessment of whether value for money is being achieved must depend on the view taken by other donors.
- **Hybrids posts** have achieved their main objectives of reducing administrative costs and of addressing cross-cutting issues: there is evidence from the cases and the Chinese example (see Box 1). There are also several examples of the transfer of good practice across sectors. However, hybrid posts have not achieved their objectives where they have been used to try

and undertake in depth sector policy dialogue and programme design in more than one sector at once. The human development posts in Mozambique and Bangladesh illustrate that the risks of doing include the neglect and/or loss of influence over one of the sectors.

- There is not enough evidence to draw firm conclusions about **Human Development teams**, but the Mozambique case has been well documented and suggests that at least in that case, the approach has been successful. Team based approaches also seem to be working well elsewhere, for example in Bangladesh. In the Mozambique case, DFID has used 6.4 person years of advisory staff time over 2005-2007 valued at approximately £0.952 million. Together with other donors this input was considered to have:
  - Safeguarded and monitored effective utilisation of £74 million of UK aid to health and education;
  - Influenced policy (e.g. human resource plans and the international health partnership);
  - Improved resource management by the government (e.g. the cost effectiveness of school construction); and
  - Enhanced the predictability of donor resource flows and its targeting on government priorities for service delivery.

## 6 Conclusions and recommendations

6.1 We were requested to relate our conclusions closely to the terms of reference so this section sets out the main findings on that basis as well as providing recommendations in each area. The key conclusions have been developed from the evidence presented in the earlier chapters and are grouped around four main areas. They are necessarily limited by the methodology and the number of case studies carried out. A broader based and more comprehensive study would therefore be needed to verify these findings.

### The contribution of different models and their fit to specific contexts

6.2 The review has provided some valuable insights into the relative strengths and weaknesses of different advisory models, what they can be expected to achieve and the contexts in which they are likely to work best. The key points about the different advisory models arising from the experience examined in the current review are:

- **Sector specific advisers in health and education have enabled DFID to add value to sector programmes by bringing new ideas and evidence based policy and good practice from elsewhere.** They are seen by partners as contributing in a way which fits local circumstances and offers constructive challenge to other development partners. The depth and breadth of engagement has typically also allowed DFID to have a substantial influence on policy and programming and on the wider donor community. Sector specific advisers are also well suited to pursue specific current and future DFID priorities including service delivery, gender in education, nutrition, maternal mortality, HIV & Aids, malaria, etc.
- **Sector specific advisers are most appropriate when DFID seeks to lead the donor group or to play a major role in shaping education or health sector policy, resource use and supporting specific service delivery areas in a partner country.** They are often associated with sector programmes and budget support and the review highlighted that in some of the case studies governments want sector specific advisers from a core group of donors with each having a clearly defined role and contribution. DFID offices also use sector specific advisers to manage other staff, to carry out appraisal, cost effectiveness analysis and develop performance targets. They are also required to address fiduciary issues at the sector level.
- **Hybrid advisers have made an important contribution to addressing cross-cutting governance reforms on financial management, civil service reform, and procurement.** They have enabled DFID to focus on upstream governance and aid effectiveness issues affecting a number of sectors and have contributed to the objective of promoting cross-sector good practice in these areas by governments and donors. Hybrids have also been effective in performance monitoring and management for results and in contributing to the development of the aid architecture. They are able to focus down on fiduciary issues by addressing these issues in a systemic way across a government.
- **Hybrid human development advisers are not suited to influencing sector specific policy on health and education simultaneously.** The experience with hybrid advisers suggests that where this has been tried, the advisers have found it difficult to get to grips with the policy and programme content in both sectors. There are also problems with capacity and the risk of

overloading these posts. In this sense, hybrids have been used much more effectively across the range of social sectors where DFID seeks to encourage the improvement of government systems (e.g. financial management and procurement).

- **The experience with human development teams needs more consideration but the current review suggests that they may offer the most flexibility and capacity to cover more than one sector simultaneously while also meeting corporate needs for results management and monitoring.** In the case we examined in detail the mix of resources allowed DFID to lead policy dialogues in health and HIV and Aids whilst making a more selective contribution to primary education. The makeup of the team seems to be critical and the experiences studied suggest a mix of sector specific staff and programme management capabilities is necessary.
- **Delegated co-operation partnerships could have worked better in health and education if there had been more alignment in policy and procedures. In practice, it was lower than anticipated and the level of partner capacity has not met DFID's needs.** In several of the cases we examined, the initial gains from exiting the sector (e.g. reduced transaction costs for the governments and partners) have been reduced as DFID has continued to use its own in house resources in monitoring sector performance or have been completely reversed as DFID has subsequently reverted to engaging more directly by employing sector specific advisers.
- **The analysis of DFID's experience suggests that delegated co-operation partnerships could be more effective where DFID communicates its intentions to exit clearly makes sure there is donor capacity available to replace previous DFID inputs and defines roles and responsibilities more clearly in MOUs with the delegated partner.**
- **Secondments of DFID staff should help overcome capacity and expertise constraints of the delegated partners. However, DFID staff have faced difficulties in cases where the host organisation has limited capacity to manage and support the secondee and has a different organisational culture and values.** These problems have been compounded where DFID has also expected continued input from secondees on DFID related matters (which has placed extra demands on the post).

### 6.3 DFID should consider the following recommendations:

**Recommendation 1:** Be more systematic in the process of considering the options for advisory models and matching them to the objectives they are trying to achieve in specific contexts. Simple guidance could be prepared about available options and their strengths and weaknesses, and issued along the lines of the draft decision making tool in Annex 2.

**Recommendation 2:** Start applying the lessons about the strengths and weaknesses of the various models. For example, delegated partnerships and secondments should be better planned, designed and managed when they are used in future. Similarly, human development or hybrid advisers should not be used to provide sector specific advice to more than one sector at once.

**Recommendation 3:** Undertake a careful analysis of the context and the capacity and willingness of other donors to support decisions related to the use of sector specific and hybrid models.

**Recommendation 4:** Encourage a greater use of human development teams using sector specific advisers and programme staff to lead on policy dialogue but also to take responsibility for corporate results management and value for money assessments.

#### What is the scope for increasing cost effectiveness and impact of advisory models?

**6.4** Past decisions about advisory models have been strongly driven by the desire to save administrative costs and observe the principles of the Paris Agenda. This has created an incentive to adopt multi sector human development or hybrid approaches and to push for delegated co-operation partnership arrangements. While this has helped reduce administrative costs it has sometimes limited the consideration of other options, especially those based on sector specific advisers.

**6.5 In other words, the evolution of models was driven more by incentives related to the minimisation of costs rather than the maximisation of outcomes.**

In a less constrained environment some offices would probably have made different choices about their preferred approaches. Some African offices are already reviewing their position and have created new sector specific posts as a result of the increased flexibility arising from the recent Comprehensive Spending Review; and the new approaches combining admin and programme spend that are emerging.

**6.6 There has also been a tendency to focus only on the direct costs involved in the adoption of advisory models and to ignore indirect costs.** Calculating the full cost of different models and approaches will provide decision makers with more information about the implications of their decisions on their programmes.

For example:

- Delegated co-operation partnerships have been associated with a reduction in admin costs due to DFID exiting the sector and because other donors undertake to represent DFID using their own staff. However, additional in-house management resources have also sometimes been used by DFID to track the sector or pursue concerns around fiduciary risk (see section 4). And in some cases DFID has had to reengage –and this can come at a high cost.
- The adoption of hybrid models have sometimes experienced additional transactional costs related to the management of multiple sector-specific relations, and the higher level of risk that DFID may be exposed to as a consequence of an arms-length engagement with the sectors covered by the post (see section 5).

**6.7 There is scope for increasing cost effectiveness and impact by improving the appraisal of the advisory model options and focussing on using the models that have been most successful in achieving their objectives to date.** Assessing the value for money of advisory support models is notoriously difficult but the analysis earlier in the review (see section 4) suggested that both sector specific and hybrid models had been successful and generated the expected outcomes. Sector specific advisers have also become more cost effective over time as they have increasingly taken on management, corporate performance and results management tasks. They have also had a substantial impact on sector policy, resource use and service delivery.

**6.8** Therefore we propose the following recommendations:

**Recommendation 5:** DFID should assess the full costs of advisory models and systematically consider their benefits when choosing appropriate options and justifying the expenditure involved. These costs should be updated and communicated effectively (timely and in the right manner) to all those involved in making these decisions.

**Recommendation 6:** Where a case can be made on cost benefit grounds, then DFID should allow more flexibility in funding additional advisory staffing if necessary through programme funded arrangements.

## Responding to changing circumstances

### **6.9 Human development advisory models need to adapt and respond to important new trends in ministerial and development partner priorities by increasing the use of advisers with expertise in high priority areas and improving external resource centres.**

Within DFID Ministers have highlighted specific problems and gaps in progress towards the achievement of the MDGs where they would like a deeper engagement with developing countries for example: maternal mortality and access and quality of primary education for girls. There has also been an increasing focus on results and value for money in aid expenditure and on ensuring that service delivery outcomes can be achieved by spending on sector budget support.

**6.10** Some DFID offices have responded to these trends by increasing the number of sector specific advisers and specialists to cover areas like maternal mortality but there may be other possibilities including strategically using experts from resource centres and consultants. The increased focus on service delivery and on results may also have implications for increasing the number of sector specific advisers that DFID needs to support sector budget support programmes in the future and for the core skill set they will need (see corporate management of advisers, below).

**6.11** The priorities of development partners need to be more central to DFID's considerations about advisory models and their choices should involve consultation with government and donor partners with a focus on clearly defining DFID's role in providing advisory support to the sector and the areas where value can be added. In particular when DFID withdraws from a sector, the CO has to manage its changing involvement in a sector to avoid misunderstandings or the loss of access to policy dialogue.

**6.12** Many options are available besides DFID's leadership in health or education. DFID can play a more indirect role focussing on sector specific constraints, it can offer indirect support via other donors and it can use its own staff or contract staff or consultants to meet some technical requirements.

**6.13** Consequently, we suggest:

**Recommendation 7:** DFID should re-examine the balance of sector specific and hybrid posts in the light of the strategic objectives and priorities emerging from the recent Comprehensive Spending Review. This can be done corporately and at departmental level.

**Recommendation 8:** Partner government preferences should guide DFID's choice of advisory models more strongly in the future. In some of the cases we examined, this means responding to partner governments' requests for a joint donor approach to the provision of human development expertise involving a core group of up to 4 donors in each sector with clearly defined contributions

**Recommendation 9:** Improve DFID's capacity to share lessons and experiences to support decisions to change advisory models, through:

- Routinely reviewing approaches and models (maybe through annual reviews of successes and failures) to draw lessons and share best practices.
- Promoting peer exchange and support among heads of offices, team leaders and advisers. Extend existing efforts to review models at professional cadre retreats

## Corporate management of advisers

**6.14 There are concerns about the limited role and capacity of Heads of Profession and HRD in managing professional cadres in DFID.** It is understood that changes in the management arrangements for human development cadres are under way within DFID but during the review we heard views about the professional management of the advisers within DFID by the Heads of Profession and their

recruitment and placement by Human Resources Division. Although the focus of this review has been on the decision to adopt a model and staff it by the Heads of Office those interviewed identified a number of issues which we flag for further consideration:

- Country offices are concerned about the difficulties in ensuring suitable staff can be recruited in a timely manner and when appointed can arrive as planned. Advisory gaps in staffing cause big problems in some offices.
- There is a perception that professional groups have become less well defined and that there is no clarity on core skills and competencies. This may be a result of the tendency to have broad terms of references for some posts –or for the posts to be flexible to the short-term needs of the country programmes.
- Workforce planning seems to be effective at the departmental level but much less so in terms of the management of advisory groups. This is perceived to be due to the lack of capacity at the HoP level but our review also identified difficulties with the quality of information on the numbers and types of different advisers in existence and required. Self-reported numbers are not always accurate and may create difficulties in classification.

**6.16** Therefore, DFID should:

**Recommendation 10:** As new management arrangements are developed for human development there should be more attention and improved resourcing for management systems. Areas to be considered could include:

- Maintaining an accurate database of the number and type of advisers in each cadre.
- Enhancing the role of Heads of Profession in planning and advising on the type of advisory model and adviser that would fit a particular context and objectives.
- Addressing DFID incentives structure to prioritise outcomes rather than costs
- Strengthening the whole 'value chain': demand identification, recruitment, induction, management, professional development, job review, and moving on.

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## Annex Draft Case Studies<sup>30</sup>

### Case 1: Ghana - Delegated Co-operation/Silent Partnership in Health

#### 1. Context and Timeline

1.1 Human development has been a major focus of the DFID programme in Ghana for the last decade. This case study focuses mainly on the silent partnership arrangements in Health but also makes reference to the education sector. In the health sector DFID initially contributed to pooled funding in a Sector Wide Approach but from 2008 there was a move towards Sector Budget Support (SBS). In the education sector Ghana was one of the first countries to develop a 10 year Education Sector Plan (ESP) as a response to the call for long term planning and predictable financing to achieve the MDG education targets. In 2006 the UK decided to provide £105 million to support the implementation of the ESP up to 2015.

1.2 SBS is provided to the Ministries of Health and Education through the Ministry of Finance from where they are channelled into the line Ministry account and spent against the approved sector plan and budget. SBS donors in health (the Dutch, DANIDA and DFID) aim for predictability and agree a timetable for disbursement with Government.

1.3 Spending on human development accounted for 55-65% of the bilateral programme up to 2009/10. Over the latter part of this period SBS was the main modality in the health sector although new commitments were made for maternal mortality and malaria programmes in 2010 which were financed outside the SBS arrangement:

**DFID Country Programme spend on Human Development (£ million)**

	2006/7	2007/8	2008/9	2009/10	2010/11 <sup>31</sup>
Health inc HIV AIDS	21.3	23.2	24.6	22.0	17.2
Education	21.2	27.7	29.5	31.6	15.4
<b>SubTotal</b>	<b>42.5</b>	<b>50.9</b>	<b>54.1</b>	<b>53.6</b>	<b>32.6</b>
DFID Country Programme	66.6	91.6	94.9	83	85
HD as % country prog	64	56	57	65	38

1.4 DFID advisory arrangements changed considerably over the period. Prior to 2005 DFID Ghana had a full time A2 Health Adviser and the same for education plus SAIC programme support staff. From 2005 a new "silent partnership" arrangement was put in place in health with the Dutch Government representing DFID in the health sector. There was therefore no health adviser in DFID Ghana and it was not until much later in 2009 that a new human development adviser post was created in DFID initially at A2 level. This was in effect a "hybrid" post as it sought to keep a watching brief on both sectors.

<sup>30</sup> Some of the tables outlining the DFID country programme spend on HD do not have a complete series because these were not provided by the country offices. We have not been able to complete these but the overall message is not affected.

<sup>31</sup> Figures for 2010/11 reflect spend to date.

<b>DFID Staff in Human Dev</b>	2004	2005	2006	2007	2008	2009	2010
<b>A2 Education Adviser</b>							
<b>A1/2 Health</b>							
<b>A2 then A1 HD Team Leader</b>							
<b>A2 then A1 from Dec 2010 HD Adviser –Education</b>						From July 2009	
<b>B1 SAIC</b>							
<b>Dutch - silent partnership health</b>							

1.5 From 2004 DFID staffing levels in health changed from one full time A2 adviser and SAIC to a proportion of one A2 human development (i.e. multi sectoral) team leader post plus SAIC support and the Dutch post. Between 2005 and 2009 DFID Ghana had the Dutch shared advisory arrangement in Health with support from the HD Team Leader which was a managerial rather than an advisory post. The MOU between DFID and the Dutch did not specify the precise amount of time to be devoted to DFID but the current incumbent provides around 10-20% of their post for DFID business. Overall by 2009 DFID ended up devoting less advisory staff resource than prior to 2005 at a time when the programme spend in human development rose by 28%.

1.6 More recently in 2010, DFID Ghana has decided to revert to two FTE Adviser posts for Human Development. The current Head of Office has concluded that the silent partnership has not been very effective. The incumbent Human Development post holder is an Education Adviser and will focus on that sector as well as supervising an A2 Health Adviser who will provide support to the sector. The Health Adviser will also manage sub programmes in Malaria and MMR.

## 2. Drivers and Objectives of Approach

2.1 The main drivers for setting up the health silent partnership were:

- DFID Corporate priorities especially contributing toward the Paris Agenda but also to reduce administrative costs
- Trying new strategic partnership concepts that encouraged other donors to provide capacity to help GOG deliver sound implementation of the health sector strategy
- Delegating the management and monitoring of DFID financial support
- Shifting strategic priorities in the DFID country programme
- A focus on sectors where DFID could have the greatest impact
- A desire for an optimal division of labour between donors in Ghana

2.2 DFID Ghana took the view that health was no longer a strategic priority because there were a number of donors in the sector who could provide the necessary input to engage in policy dialogue. The emerging structures for sector dialogue presented an opportunity for one donor (UNICEF and then the Dutch) to chair the donors group and to represent the rest. This was reinforced by a desire to cut back on staff costs and to improve efficiency by delivering administrative cost savings.

2.3 The potential for administration cost savings and the corporate commitment by DFID to the Paris harmonisation agenda are seen by DFID staff as the main drivers for the silent partnership in health. Also as DFID, the Dutch and Danida had entered into a shared programme of sector budget support it made sense to pool advisory resources with a likeminded development partner. The stated objectives were:

To provide more harmonised support to the sector and to maximise the contribution of each agency to enable improvements in the performance of the health sector. <sup>32</sup>

DFID corporate priorities are also regarded as the main driver by the current Head of Office who emphasised that the pressure to reduce administrative costs had played a major part in these decisions.

2.4 The MOU envisaged a shared adviser and a consensus on health sector priorities and strategies. The post was expected to engage in key planning processes of both institutions and a preparatory meeting of DFID and the Dutch Embassy before health summits with GOG. There would be:

- A common strategy for engagement with other partners and the government
- A plan for technical advisory support to the sector, to be managed by the shared health adviser
- A shared strategy on an optimal mix of aid modalities for health including how and when to move towards budget support

### 3. Experience

3.1 A silent partnership arrangement commenced in 2005/6 with the Dutch Government agreeing to represent DFID in the health sector and to provide feedback to DFID on progress and results. The initial arrangement appears to have involved the Dutch playing the role of "surrogate health adviser" including participating in DFID programme meetings.

3.2 There is a consistent picture from all the interviews that the Dutch silent partnership was inadequately planned and overloaded in practice. The initial post holder provided up to 50% of a FTE post but was also holding down a full time post in the Dutch Embassy. The successor effectively renegotiated the arrangement and now only 10-20% of the time of the Dutch adviser is devoted to DFID.

3.3 The limited capacity available from the Dutch has meant that in practice DFID Ghana has been unable to adequately follow up procedural problems related to budget support. They also had to devote some staff time to liaising with the Dutch to ensure policy positions were clear (e.g. on user fees, bed nets etc) and to ensure performance information was interpreted and communicated upwards in DFID. The Dutch have highlighted that GOG capacity remains limited and there are several areas where donors needed to provide strategic and operational inputs e.g. on consultancies. They felt that DFID was still being drawn into the sector because of ongoing and new commitments e.g. on obstetric equipment. In such a complicated sector they thought it was essential for a main funding agency to remain more directly engaged.

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<sup>32</sup> Draft Memorandum of Understanding between the Dutch and DFID 2007

3.4 Government were initially very unhappy with DFID's decision to withdraw from the sector because of a perceived reduction in commitment. They had regarded DFID as a key partner in the sector and expressed strong opposition. They wanted access to technical expertise as well as DFID finance. The timing of the withdrawal in 2005 was also difficult as the sector was moving towards a second five year plan and there were new policy areas where DFID expertise was highly valued and where there was a perceived capability including health financing, health systems and institutions.

3.5 At the same time the decision to focus down on fewer sectors resulted from the push by donors to improve harmonisation and alignment through a more effective division of labour as set out in the Ghana Joint Assistance Strategy. The Ministry of Health acknowledge that harmonisation has produced some real benefits for GOG. As the sector matured and a Sector Wide Approach (SWAP) was developed, this allowed a new donor structure to emerge with a single focal point or Chair of the donor group and with supporting working group structures. Along with the Dutch and Danida, DFID shifted to Sector Budget Support in 2008.

3.6 Government staff in the Ministry of Health are clear that this has resulted in fewer meetings with annual reviews and harmonised reporting and audit which satisfies the majority of donors. These changes have reduced the time spent and the inefficiency from duplication and overlap involved in repeated discussions with each donor over the same issues.

3.7 The GOG also prefers an arrangement whereby dialogue can be focussed on key issues and conducted with donors that can bring relevant knowledge and expertise. The Dutch have been able to provide expertise in public financial management and other donors including DANIDA have also provided support. DFID have also contributed for example by bringing in expertise to assess the case for abolition of user fees.

3.8 During 2008-10 the government has relied heavily on the Dutch to provide technical inputs and they underlined that the Dutch willingness to provide a health professional as the lead adviser and the donor focal point had been critical to the successful implementation of the health sector programme. Indeed this was seen as a key condition for ensuring that there were no gaps when key donors such as DFID reduced their role. The Ministry thought that the Dutch has represented DFID effectively but that in practice DFID had also remained involved in particular issues including user fees.

3.9 In DFID, then, the health sector was covered by the A2/1 HD team leader (also Deputy Head of Office) post which combined programme management, corporate responsibilities and oversight of the sector. The post holder had a heavy workload but provided regular input to the sector with additional support from the Health Resource Centre, consultants and from DFID HQ Adviser on user fees.

3.10 More recently the GOG has sought additional health expertise especially in maternal mortality and malaria. The UK is perceived as a partner of choice because of past experience and there has been a very positive reaction to the plans by DFID to revert to a health adviser covering these and other areas.

#### 4. Effectiveness

4.1 The silent partnership is perceived to have had the following benefits:

- Greater harmonisation and streamlining of donor structures
- Reduced transaction costs for the government
- Allowed effective monitoring of results

The silent partnership has been associated with the development of rationalised donor structures and the successful introduction of the SWAP and Sector Budget Support. The assessment is that this has worked reasonably well because the Dutch and other donors have been able to cover most of the technical requirements for the development and

implementation of the sector programme. These have included issues around health financing, health systems and more specialised areas.

4.2 However some important drawbacks were also identified:

- The Dutch and DFID staff reported that the shared “silent partnership” post was overloaded and poorly planned. GOG was also concerned about reducing resources to a large complex sector.
- There were significant differences in DFID and Dutch policy positions that were sometimes difficult to reconcile, e.g. over user fees.
- DFID influence on key policies was reduced, e.g. user fees, health insurance and Ghana health service
- The Dutch did not have the capacity to meet all the DFID corporate reporting requirements which had to be taken back in house.

4.3 There was no direct cost to DFID from the arrangement with the Dutch because DFID Ghana did not contribute to the financing of the post. The silent partnership therefore initially helped DFID Ghana to reduce administrative costs by at least one FTE advisor post. However the arrangement was not sustainable as originally envisaged because the workloads were deemed excessive by the second incumbent of the Dutch post. DFID subsequently took back some responsibilities (e.g. for its own projects) and decided to do more itself to for example to monitor financial flows and performance in house. Overall the arrangement has not led to permanent administrative cost savings and there have been significant disbenefits in terms of limited policy influence from the failure to engage fully in the health sector.

4.4 Lack of direct representation in the sector has also made it more difficult for DFID to track financial flows and to ensure fiduciary risks are minimised. Former DFID Ghana staff and Government both emphasised that this probably raised fiduciary risks to DFID. The problem was recognised by DFID Ghana and action was taken to address the issue. For example the problems with tracking financial flows of SBS through the Ghanaian system brought DFID Ghana staff more directly into the management of the sector than anticipated. GOG thought DFID was “not that silent” in practice.

4.5 The Ministry of Health repeatedly stressed the importance of donors having both strategically and operationally useful knowledge and advice that drew on developing country experience from elsewhere. This was thought to be most useful in analysing institutional constraints affecting the development of the Ghana Health service and obstacles to improved service delivery. Donor staff time was needed to build relationships and trust and to visit facilities to understand the constraints.

### Lessons:

- Silent partnerships are unlikely to work unless there is close alignment between donors on policy issues. Even “like minded” donors have important differences.
- The importance of clearly defining expectations of both partners and likely workloads in silent partnerships and negotiating this with the other donor even down to the precise % of the post available to both parties.
- DFID needs to retain in house capacity to manage corporate requirements on Ministerial correspondence, communications, reporting results, project management and professional development
- Silent partnerships may increase the difficulty of minimising fiduciary risk in SBS
- Human development posts can provide effective oversight of one sector provided there is a resource centre to provide back up. They cannot provide much input in the other sector
- Latest experience suggests sector specific advisers are best used to engage fully in one sector on policy dialogue and sector programmes in areas of DFID

priority as well as providing input into DFID performance management and results.

## 5. Conclusions

5.1 The silent partnership in health is regarded by DFID Ghana staff as largely unsuccessful in practice and has now been effectively reversed. Interviews suggest it has not produced a sustainable reduction in administration costs for DFID and the limited capacity of the Dutch to manage and monitor DFID spending and investment in the sector may have increased fiduciary risks. There have been differences in policy positions and reporting systems which has meant DFID taking on a more pro active role in the sector than originally envisaged. The Dutch have generally been effective in providing technical support but the interest of DFID Ministers and the limited capacity in the GOG has led to DFID reengaging across a range of areas including maternal mortality.

5.2 There have been definite gains from greater harmonisation and alignment arising from the adoption of sector budget support modalities but many of these benefits are likely to have materialised in the absence of the silent partnership arrangement. DFID's exit from the sector does not appear to have led to any great gaps in terms of dialogue and support because the Dutch have provided high quality, relevant and flexible health related advice as well as in other areas including PFM.

## Case 2: Bangladesh: Human Development Team and Hybrid Adviser in Education

### 1. Context and Timeline

1.1 Despite steady economic growth (averaging around 5-6% in the last 10 years) Bangladesh has 60 million people earning below US\$1 a day. Progress in the social sectors has also been steady rather than spectacular with improved access in education but ongoing problems of drop out and quality. Public health systems are improving especially in provision of basic health including vaccination programmes but the country performs poorly against key indicators such as maternal mortality.

1.2 The DFID country programme has continued its strategic focus on health and education for over twenty years. These sectors have been priorities for DFID because of a perceived comparative advantage and well established relationships with Government and other donors. This long relationship has also created an expectation from GOB that DFID will maintain a prominent and leading role in health and education including through the presence of experienced UK advisers in both disciplines.

1.3 UK bilateral support to Bangladesh has exceeded £100 million per annum for several years and in 2010 it was the sixth biggest recipient of bilateral assistance. As the table shows the Human Development sectors have absorbed a large proportion of the aid programme averaging 40-50% of total spending.

1.4 There is a fragmented donor architecture. In both education and health, DFID has encouraged Government and the donors to move towards a sector based approach. This has been a slow process where donors have been using pooled funding but have been unable to move to sector budget support because of the high fiduciary risks. In both sectors DFID provides financial aid through other donors (via a World Bank Trust Fund in health and via the Asian Development Bank in education). This arrangement ensures DFID finances agreed line items in the Government budget and is closely earmarked with fiduciary requirements discharged via financial management arrangements and auditing conducted by the two agencies.

1.5 In addition to providing support for maternal health services through the health sector instrument, DFID has supported a large stand alone programme implemented by

the UN, a BRAC-UNICEF partnership to deliver community level services, and a major urban health programme managed by the AsDB. In addition to the basic education sector instrument, DFID support to education includes through a large multi media English language initiative and a NGO led Skills and Employment programme, as well as support to BRAC. The aim has been to move more upstream by supporting programme funding and to engage in policy dialogue with the Ministries involved.

1.6 DFID Country Programme spend on Human Development (£ million) is shown below:

	2005/6	2006/7	2007/8	2008/9	2009/10
Health inc HIV AIDS	22.36	30.29	12.68	13.0	20.44
Education	27.78	20.60	17.56	17.82	32.88
<b>SubTotal</b>	<b>50.15</b>	<b>50.9</b>	<b>30.24</b>	<b>30.83</b>	<b>53.32</b>
DFID Country Programme *	123.37	109.31			
HD as % country prog	41	47			

Source : DFID Bangladesh and UK Aid statistics

1.7 Since 2000 DFIDB has been rationalising its structure and workforce to achieve increased efficiency and to promote the development of local staff. A key objective has been to develop a pool of SAIC staff at A3 then A2 level as a basis for localising some posts and reducing dependence on UK based staff which was sometimes difficult to recruit.

1.8 DFID Bangladesh has adapted its workforce strategy and complement to changing circumstances. Up to 2002 the office had a full time A1 Adviser in health and education plus SAIC A2 staff who were all specialists in their respective sectors. From around 2003 an A1 Human Development post was established as a "hybrid" post designed to support both the Health and Education sectors. This post was supported by an A2 UK based post and an A2 SAIC staff. The first incumbent of the senior A1 post was given HD responsibility and was a Health Specialist. There was no UK based Education adviser from 2003 until 2005. Then in 2005 a Senior Education Adviser and an A2 Health Adviser were recruited once the A1 Health Adviser left post.

1.9 The outcomes coordinator role was established in 2007. This altered the responsibility of the A1 Education Adviser post to include corporate and programme management responsibilities related to performance monitoring and results in the human development sectors. The post also included lead adviser responsibility on education (70 %) and oversight of health (30%). Water and sanitation had previously been dealt with by an infrastructure adviser but was also to be nominally covered by the post.

1.10 The movement towards more strategic instruments supported through financial aid and greater emphasis on governance was addressed by allocating a proportion of the time of the Senior Programme Manager for HD and governance and so making use of his personal background. (This post was filled by an individual with an economic background 2005-9, and since then by a former governance adviser).

DFID Staff in HD	2002	2005	2006	2007	2008	2009	2010
<b>A1 Education</b>							
<b>A1 Health</b>							
<b>A1 Senior</b>							

<b>Programme Manager</b>							
<b>A1 HD and then outcomes coordinator</b>							Being recruited
<b>A2 health</b>							Not being replaced
<b>A3 then A2 SAIC health</b>							
<b>A3 then A2 SAIC education and cross-cutting inputs</b>							
<b>ASDB – Education Sector lead</b>							

1.11 DFID B staffing in human development has evolved from a position where there were 4 Full time equivalents (A1 + SAIC A2/3 in education and HCS A1+A2 in health) in 2003 to the 2010 complement of 3 FTE advisory staff (one HCS A1 Outcomes Coordinator, an A2 SAIC Health Adviser, and an A2 SAIC Education Adviser. Cross-cutting inputs are also provided to the team as required from other staff in DFID B.

1.12 At the same time the total spend in human development slightly increased over the period. Current proposals envisage a big expansion (possibly doubling) of sector spending. Aid modalities shifted considerably over time from a predominantly project mode to a sector based approach.

## 2. Drivers and Objectives of Approach

2.1 There were a number of drivers behind the staffing decisions and workforce structure that was adopted. During 2000-2005 there was a strong drive from DFIDHQ to promote harmonisation amongst donors and to push the Paris agenda. Asia Division was also keen to develop more effective partnerships with the Asian Development Bank and the World Bank to encourage them to play a more prominent role in partner countries in sectors where they were major donors. Asia Division was encouraging a partnership model based on seconding DFID staff to these organisations.

2.2 At the same time there has been a growing pressure for greater efficiency and “to do more with less” which has driven efforts to streamline and reduce UK based staffing wherever possible. The implication is that the overall number of staff within DFID B has been gradually reduced from a total complement of around 180 in 2003 to 65 today (of whom only 16 are HCS), and has certainly been a factor in the decisions to reduce the complement in human development. DFID B has also decided to adapt the skills mix. The shift to a more programme based modality has required more input on Governance related areas (public financial management, institutions and systems) and an emphasis on building relationships and influencing policy makers in key aspects of the sector programmes.

2.3 In the past decade DFID has considerably strengthened its performance management systems and results orientation. Like other overseas offices in the bilateral programme DFIDB has been devoting more staff time and resources to target setting,

performance monitoring and assessment of results. This additional workload has also to be accommodated within the human development team.

2.4 Within this context DFID B has consistently retained a focus on human development as a strategic priority for the bilateral programme but with increasing recognition of the need to make choices about where it would concentrate its advisory resources. A key strategy in Education from around 2003 onwards was to encourage the Asian Development Bank to take the lead on the development and implementation of the emerging Education Sector programme. DFID encouraged the process by seconding staff to AsDB and by choosing to reduce its own advisory presence. During this time the A1 Human Development post concentrated mainly on the Health Sector where the first Health SWAP was reportedly collapsing and the education aspects were covered by two short terms consultants who reduced the scope of the education advice and technical inputs e.g. on institutional capacity and financial management . This led to deficiencies in the design of PEDP2 and to remedial action which slowed implementation down (see section 3 and 4).

2.5 DFID B had multiple objectives in developing their workforce in human development:

- Promoting harmonisation and the Paris agenda
- Strengthening the in country role of the AsDB and the World Bank and influencing their policies
- Responding to corporate agenda of reducing DFID B admin costs
- Providing an experienced education and health professionals (from DFID or other donors) to influence Government policy and implement sector strategies
- Bringing in new sector based approaches that addressed governance concerns including fiduciary risks
- Ensuring the human development sector could measure results

### 3. Experience

3.1 Between 1998-2001 DFID led the education consultation group which aimed to coordinate donor activities and undertake a systematic dialogue with the government. The development of a Sector Wide Approach in education proved to be more problematic than anticipated. The GOB was initial reluctant to move in this direction and it took considerable effort to build a partnership around a common vision and programme.

3.2 The jointly planned Primary Education Development Programme (PEDP 2) eventually became the focus for a strong partnership around shared objectives relating to the expansion of the system and improvements in quality. During 2001-2003 the donor group was led by an experienced UNICEF education specialist and a core group of donors including the Asian Development Bank (AsDB, World Bank and DFID) worked collectively to develop the sector programme with GOB.

3.3 Changing staffing arrangements in DFID caused some concern amongst donors at the time. The assumption was that DFID had reduced its level of representation to encourage other agencies especially the AsDB and the World Bank to play a more prominent role. However it was unclear these agencies had the capacity or the commitment. UNICEF report that AsDB were relying on a social sector adviser and were unable to provide education specialists and although the World Bank did have such expertise their senior staff visited from Washington and were not based in country.

3.4 The AsDB and the World Bank were the main funding agencies involved in taking forward the implementation of PEDP. There were some important differences in approach but the AsDB eventually became *de facto* lead donor in the sector. DFID offered staffing support to the AsDB which was focussed mainly on supporting the delivery of their programme through a Project Planning Unit. DFID B seconded a governance adviser and

the EC financed an education specialise but DFID eventually terminated the contract because they were not having the desired impact or influence.

3.5 During the planning and implementation of PEDP2 the advisory input from DFID became more limited. The A1 Human Development Adviser was more focussed on the health sector and this inevitably meant less time was available to engage in the education sector. This was perceived as leaving a gap in terms of education sector expertise that was not filled by other donors. However the HD Adviser post was also seen as effective in identifying cross-sector issues, e.g. on sector management or budget support. DFID also took action to try and meet the needs for education advice by recruiting short term consultants.

3.6 Interviews consistently point to an important design failing in PEDP2 because quality issues were not fully or effectively addressed. The Ministry of Education recognises that there was a failure to put learning at classroom level at the centre of the programme. This failure is identified by others including DFID and UNICEF staff who argue it is related to the lack of collective education sector and specialist expertise available to the donor group at the time. UNICEF felt unsupported in arguing for more attention to quality issues under PEDP2 because the donor group did not have a big enough group of people with educational expertise.

3.7 Government indicate that they have since worked much more closely with donors especially with the technical experts in DFID who have provided technical assistance to address quality issues under the coming PROG3. GOB reported that DFID's support under PROG3 had enabled a "paradigm shift" towards addressing the quality issues. For example DFID secured short term support from New Zealand and elsewhere.

3.8 Donor experience suggests that it takes time to build relationships of trust in the Education Sector with the Bangladeshi Government, which had limited capacity and obtained value added from drawing on external knowledge of good practice from elsewhere. The Ministry also stressed that it wanted donor representatives to devote enough time to understand the large and complex sector at an institutional and operational level as well as at the strategic level. They wanted donors to "move side by side" with the government to implement PROG 3 from 2011.

3.9 There was some concern that the additional internal demands on the current DFID hybrid outcomes coordinator post had led to a degree of overloading which reduced attendance at education sector meetings. This is perceived to be an increasing trend which could have longer term implications for the success of PROG3. There is also concern about a possible reduced level of DFID input to sector dialogue and whether a critical mass of donors will remain should the UK advisory input be withdrawn.

3.10 Current thinking in DFIDB is to deepen the team based approach to managing the human development sector. The shift to programme support has placed greater emphasis on policy dialogue, institutional development and governance as well as ensuring effective implementation and programme monitoring. It is anticipated that this can be achieved by providing a SAIC adviser to cover educational and sector expertise requirements with oversight from the newly recruited A1 Human Development Adviser. The Deputy Head will cover the Governance and institutional aspects including fiduciary risk. However both health and education are designing their programmes simultaneously and missions run concurrently which could make attendance or in depth engagement in both sectors by an HD adviser difficult.

3.11 DFID B will maintain flexibility to respond depending on developments. They and the lead donors (World Bank and AsDB) recognise a risk that if the new A1 Human Development Adviser has a health background that the education sector support will need careful management to ensure the right mix of expertise is available. There is a risk that DFID's influence with GOB will be reduced and the fact that there are only a few

donors with technical expertise in key areas may mean progress on key quality issues could be jeopardised.

3.12 DFID B acknowledge that the team approach is also driven by the need to reduce administrative costs and by the difficulty of persuading UK based staff to take up posts in Bangladesh. The team based approach provides flexibility and the aim is to ensure that the quality of policy dialogue in education by DFID can be maintained.

3.13 In the health sector DFID B has had to engage more directly in the management of the Trust Fund and in education DFID has also had to provide more input than planned to help the AsDB carry out its management and lead donor role. There have been some major concerns about the front loading of planned sector spend by IDA and the subsequent failure of GOB to execute the higher planned spending in the national and Ministerial budgets (for health and for local government). This has required a lot more input than envisaged by DFID staff and in areas related to financial management and fiduciary risk. It has been necessary to back up SAIC staff in these areas.

3.14 Bangladesh remains a high priority area for DFID support in the water and sanitation sector and DFID B has experimented with a "silent partnership" to cover these areas. Danida leads the donor dialogue and represents DFID. They work with GOB and other donors (notably UNICEF) to plan and deliver a substantial *watsan* programme. DFID has a watching brief including attending some sector coordinating meetings as a delegate but maintains a low profile. DFID funding is provided through UNICEF and Danida provides technical expertise to the line Ministries involved. Thus far the arrangement appears to be working well with DFID able to rely on other donors to monitor performance and results, to exert adequate fiduciary controls and provide effective technical support. DFID's influence on policy is however limited and the outcomes coordinator does not have the capacity to address vfm and fiduciary issues should major problems arise. However DFID B currently has a Social Development Adviser with considerable *watsan* knowledge who has engaged reasonably heavily in the management of the existing programme. The current thinking in DFID B is that if Ministers want to increase their influence over the policy dialogue within this sector, then more resources will be required to recruit additional staff.

3.15 The Ministry of Education stressed that their commitment and confidence in the sector wide concept was built up slowly on the basis of strong personal relationships. They value donors with influencing skills to build up relationships and trust. GOB wanted donor staff to be knowledgeable about international and developing country experience in the sector and to be able to speak authoritatively about their organisations and to represent them without having to refer back for decision making. There was also an emphasis on understanding local incentives and institutions and to be realistic about what was achievable. Ability to mediate over failure to deliver on conditions and commitments was also important.

#### 4. Effectiveness

4.1 Evidence and feedback suggest that it has been difficult for the hybrid outcomes post to maintain an effective policy dialogue, to influence and contribute to the development of two sectors at the same time. Time constraints and corporate workloads have also played a part. *Watsan* has been covered only nominally; a decision deliberately taken during the most recent country/ business planning process. In practice the current outcomes coordinator has concentrated mostly on the education sector whilst until recently an UK based A2 health adviser covered that sector. This arrangement seemed to work well and to meet most of GOB requirements despite the overall advisory complement being less than in 2003. Only time will tell whether DFID B meet GOB expectations through their different mix of SAIC/UK based staff.

4.2 Interviews consistently suggested that lack of donor technical expertise and support created problems for the design and development of PEDP2. This resulted in a less rigorous analysis and response to overcoming the constraints on education quality. The

lead donor UNICEF felt the limited DFID presence in the dialogue was a major factor and that other donors did not pick up the slack for example by providing technical assistance to develop the curriculum. Lack of progress against the MDG targets appears to confirm that this was a lost opportunity for Bangladesh. Whereas the numbers of children in primary rose (93% enrolment is reported over 2000-2009 the retention rate has remained very high at around 50% of all primary children).

4.3 The disengagement of DFID was predicated on the other major sector donors playing a more prominent role. AsDB did take on the leadership of the sector group but there was ongoing friction about strategy and approach with the World Bank. In retrospect, DFID B staff think the PEDP2 sector programme was unrealistic, overambitious and ignored the needs of the most vulnerable groups. In practice implementation proved slow and there were also fiduciary concerns though some improvement and achievement has been seen in the latter years of implementation largely due to greater donor interest and engagement.

4.4 Despite the difficulties, there have also been benefits from the hybrid model in the sector. The Ministry of Education thought that during the design phase of PEDP2, although the Human Development Adviser had a health background, he provided useful cross-sector experience as GOB moved towards a programme based approach. There have also been some important benefits in applying a team based HD model in the health sector. The team have been able to respond positively to the increased fiduciary and management risks in the World Bank health sector Trust Fund arrangements and are well placed to provide cross-sector advice.

4.5 The outcomes coordinator approach has faced growing demands from internal corporate requirements for monitoring results and communications and assessing value for money etc. This has become a core function of the post and inevitably has impinged on staff time available to the education and health sectors. The adoption of a team based approach by DFID B has however, enabled the outcomes coordinator to set the broad direction and to use the rest of the team to support this work.

4.6 DFID B has been successful in reducing administration costs. These savings are one A1 post and the difference in the cost of the not to be replaced A2 UK based staff and the SAIC post. However DFIDB has also used programme costs to assist the AsDB with the delivery of its Sector support programme. At least some of this additional cost should be considered as a consequence of the decision to reduce DFIDB in house staff. That means that overall the net savings to DFID from staffing changes would be less.<sup>33</sup>

## 5. Lessons

- Hybrid posts cannot easily provide adequate advice across sectors which are fundamentally different. Post holders inevitably come from one sector discipline and the arrangement is more likely to work with a dedicated specialist support in the other sector as adopted in the team based approach used by DFIDB.
- However DFID B also views the main challenge as ensuring there are a sufficient number of staff at any one time with appropriately rigorous analytical backgrounds and experience to influence the design and implementation of major HD programmes. There are some advantages in a team based approach involving personnel with a range of different backgrounds (such as governance and economics) in addition to specialist health, education and watsan advice.
- Increasing reliance on other donors to lead sector dialogue and channel funds requires a careful assessment of their capacity and sector specific expertise.

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<sup>33</sup> In reality of course DFID is attaching a much higher implicit value to savings on administrative costs.

Where there are unforeseen difficulties there can be negative consequences for programme design and implementation.

- Programme funded staff can help to address shortfalls in capacity in other donors or in GOB. DFID addressed concerns about AsDB by providing staff to support the implementation of the education programme.
- GOB expects strong DFID engagement in sectors where there are substantial financial investments. They have a preference for individuals with sector knowledge but recognise the value of cross-sector advice.

## 6. Conclusions

6.1 The hybrid model as applied in DFID B has had mixed results. In terms of the objectives:

- It has encouraged the AsDB to play a more prominent role in the key Human Development sectors but it has proven more difficult to address the internal incentives and institutional constraints which limit their capacity and sector expertise available in country. AsDB did not have the capacity to lead the dialogue in the social sectors.
- DFID B has been able to reduce Admin costs and produced valuable savings by introducing hybrid posts and a human development team. These have been offset to some extent by increased programme costs associated with secondments to the AsDB
- The HD hybrid post has tended to focus on one sector and at times this has reduced DFID influence over policy and programming in the other sector. The early stages of the current education sector programme were negatively affected by this because other donors did not fill the gap.
- The human development team has adapted to new sector based approaches and has been able to address Governance concerns including fiduciary risks. This has been a valuable contribution as these aspects have not been as well covered by lead donors as expected. DFID B has had to devote more of their own staff resources than planned.
- Advisers have played an important role in ensuring the human development sector could measure results. Corporate demands need to be carefully balanced with other tasks to ensure there is time and capacity for policy dialogue and influencing.

## Case 3: Nepal: Basic Services Adviser and Delegated Co-operation in Education

### 1. Context and Timeline

1.1 Nepal remains one of the poorest countries in the world and is undergoing a major transition after a decade long conflict. Sustaining the peace process is a Government and donor priority including ensuring improved security, increased employment and inclusion of poor and disadvantaged groups.

1.2 Progress has been made against poverty reduction targets (the proportion of the population below the poverty line has declined from 42 to 31%) but economic growth is sluggish (less than 4% per annum). Although maternal mortality has declined Nepal still has a rate 50% higher than the average for South Asia<sup>34</sup>. The root cause of high maternal mortality in Nepal is the low status of women. Primary enrolment is nearly 90% but improving quality remains a challenge.

<sup>34</sup> WHO, UNICEF, UNFPA, World Bank (2010) *Trends in maternal mortality: 1990 to 2008*.

1.3 Government has an established planning framework for the human development sectors. The 8<sup>th</sup> five year national health plan 1992-97 and the second long term plan 1997-2017 focussed on primary health care services (including family planning and immunisation). A high priority was attached to improving district level services and to extend coverage and improve access to the 90% of Nepalese living in rural areas. In education the aim was similarly to extend access by expanding enrolment and improving primary provision. DFID has committed just under £60 million to health and education over the next five years.

1.4 DFID Nepal Country Programme spend on Human Development (£ million) is shown below:

	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>
<b>Health inc HIV AIDS</b>	7.3	8.3	17	19.6	14.7
<b>Education</b>	4.9	2.9	8	2	
<b>SubTotal</b>	<b>12.2</b>	<b>11.2</b>	<b>25</b>	<b>21.6</b>	<b>14.7</b>
<b>DFID Country Programme *</b>				58	
<b>HD as % country prog</b>				37	

Source: DFID website and DFIDN

1.5 Human development spending accounted for 37 % of the bilateral programme in 2008/9 (see above). The majority of the funding is via pooled funding arrangements under the health SWAP but there are important technical assistance projects including the highly respected Support to Safe Motherhood Programme (phases 1 and 2) and the new range of support to the MoHP, the Department of Health Services and regional health capacity.

1.6 Over the past 5 years DFID Nepal has made some significant changes to the staffing complement covering the human development sector. There have been two major shifts in direction. The first was a decision to second a DFID staff member to the European Commission which meant DFID Nepal no longer required a full time Education Adviser. Oversight of the sector and the Transfer Agreement (TAG) with the EC was the responsibility of the Effective and Inclusive States team (EIST). The education programme and the previous Education Adviser were within EIST.

1.7 The second major change was the move toward a multisectoral approach. Initially this involved the incumbent A2 health adviser taking on a broader multisectoral role as deputy team leader and also covering education during 2007-9. The post of basic services adviser was created in April 2009. In addition DFID Nepal has a "split post" (jointly funded by Policy Division and DFID Nepal) which has provided capacity to support work in areas of high priority for DFID Corporately and Nepal. As a result additional capacity is available for work on maternal mortality and nutrition where Nepal remains severely off track against the MDGs. This is a time limited programme funded post.

1.8 In 2003 there were 2 x FTE UK based staff available: one for the health sector and one for education. By 2010 there were just less than 2 FTEs UK based and SAIC advisory posts in DFID Nepal covering the social sectors. (50% of the basic services post is devoted to health and 25% of the A2 post split with PD plus a full time A2 SAIC health adviser which is currently vacant). The basic services adviser also has management and Corporate duties for EIST. The split post focuses on nutrition as well as health issues including maternal mortality. The EC secondee is programme funded and according to the job description is dedicated full time to working on the EC Education programme. It

is not therefore included on the DFIDN staff complement although a small proportion of the time of the post is in practice devoted to DFIDN (see below)...

1.9 DFID Nepal has made these adjustments to respond to a range of complex needs around the increased focus on cross-sector skills associated with SWAPs. They do not consider they are under resourced on health (including the SAIC adviser post currently unfilled) there are three advisory posts with 40% or more of their time devoted to the Nepal health sector. Education is not a priority area for division of labour reasons and a silent partnership has therefore been established, but DFID leverages policy influence through its seconded senior education adviser.

DFID Staff in HD	2003	2005	2006	2007	2008	2009	2010
A1 Education		Covered by Econ Adv	Covered by Econ Adv then A2 education adviser			To mid 2009	Not replaced
A1 Education seconded EC						New post	
A2 Health then Deputy team leader - health and education							Not replaced
A2 Split post 0.25 on MMR and 0.25 nutrition						New post	
A2 Basic Services Adviser & Deputy Team Leader (50% on health)						New post	
SAIC Health Adviser							Currently vacant

## 2. Drivers and Objectives

2.1 The key objectives behind the development of the staffing arrangements in human development and basic services are:

For the EC secondment:

- Promoting a more efficient division of labour amongst the donors and adherence to the Paris principles.

- Greater focus in DFIDs programme including a reduced engagement in water and sanitation and a less direct involvement in education.
- Influencing other agencies (e.g. EC policy on education).

For the basic services post:

- Using DFIDN staff to focus on cross-sector and governance related matters (e.g. fiduciary risk) in service delivery.
- Management support to the Effective & Inclusive States team leader.

For the split post:

- Responding to new and existing priorities e.g. maternal mortality and nutrition

Along with the rest of Asia Division the DFID country programme has sought to develop a stronger focus on UK comparative advantage and to promote a division of labour with other donors. In HD, DFID Nepal has supported SWAPs and has shaped its staffing support to engage in these arrangements.

2.2 In education DFID works closely with the World Bank, the Asian Development Bank and the European Commission (supported by the seconded DFID adviser) in a sector budget support programme with nine pooling partners. Education accounts for a relatively small proportion of the bilateral programme but is a large and growing proportion of EC spend. DFID Nepal and the EC have a well aligned strategy for the education sector. The secondment is aimed at enhancing the EC's presence and capacity in the sector, promoting aid effectiveness and safeguarding DFID's investment.

2.3 In health there are ten donors at present, with varying degrees of integration into the SWAP, some fully pool their financial resources, some do so on a partial basis and some are solely signatories to the JFA. A few donors are not integrated at all in this joint donor framework. Initially, DFID and the World Bank shared the lead role concentrating respectively on provision of strategic technical assistance and fiduciary oversight. Since 2009 the World Bank is *de facto* the lead donor due to the scale of its resources and advisory inputs but DFID is also a significant financial and advisory presence. UNICEF and USAID are significant providers of technical assistance. USAID resources are about to expand (it would make them the largest donor), and they are also considering moving to a more harmonised arrangement with a portion of their funding being earmarked within the health budget and separately audited. In water and sanitation the World Bank is the lead donor but significant support is also provided by the Asian Development Bank. DFID has reduced its engagement and is focussed on the Ghurkha water and sanitation programme.

2.4 One of the objectives of DFID Nepal's support to health and education is as a contribution to the broader effort to promote state and peace building. About £8 million per annum will go to the Ministry of Health and there is a substantial programme of capacity building technical assistance which also provides specialist expertise.

2.5 Along with other overseas offices, DFID Nepal has tried to reduce administrative costs. Seconding an A1 Adviser to the EC has transferred funding for this post on to the aid programme. The new A2 Maternal Mortality and Nutrition Adviser is also programme funded on the grounds that much of the advice and support will be provided to assist GON to develop policy and strategy. The costs are being shared with Policy Division. The A2 SAIC funding is also on programme.

2.6 DFIDN has tried to remain flexible and responsive in adapting the staffing structure and skills mix to meet the changing needs of the programme within a tight

administration budget. As the number of SWAP arrangements has grown DFID N has given greater emphasis to cross-sectoral and Governance skills in areas like civil service reform and public financial management. Hybrid posts are seen as allowing this flexibility to adapt to the changing needs of the business and are not seen as a substitute for technical or specialist skills.

### 3. Experience

3.1 The secondment of the Education Adviser to the EC is still at an early stage but is regarded by DFID N and the EU Delegation in Nepal as working well. One of the major challenges to be faced in the sector has been the high fiduciary risk and threat of corruption which is a reflection of weak public financial management systems across the GON as a whole. DFID Nepal has felt it necessary to engage directly with the education sector group on these issues because of the perceived weaknesses in monitoring and control systems.

3.2 The Transfer Agreement between DFID and the EC envisaged that the secondee works to achieve the objectives of the sector as a whole with the substantive role within the EC office to advise on sector strategy and report on implementation with the majority of the time being devoted to the management of the pooled donor fund. But 10% of the adviser's time has also been used by DFID N although this is yet to be formally reflected in the job description. The post was filled in November 2009 and thus far has contributed to joint working groups with development partners and the Ministry of Education on aid effectiveness and specialised areas including teacher training, water and sanitation, capacity development, technical and vocational education and training and national assessment methods. This has drawn on global good practice. The adviser is also closely involved in the programming of the EC additional funding for the SWAP (Euro 31 mill 2011-2014).

3.3 The seconded adviser has been tasked to enhance EC capacity and has improved analytical capacity in key areas related to governance (including state building and peace building) and gender, equity, inclusion and human rights as well as raising their profile and contribution to the education sector. The terms of reference for the adviser envisage taking on the role of development partner lead/focal point which should ensure that the EC can play a more influential role in future.

3.4 It is premature to definitively judge the degree of influence on the EU at this early stage but initial progress has been positive. The adviser is engaging on Education policy issues with Brussels (e.g. staff working on papers on more and better education in developing countries; education and decentralisation etc.) and providing feedback from the Nepal experience to inform and improve the education for all FTI guidelines. The adviser has promoted greater alignment between DFID and EC policy in Education and more work is being done with the World Bank and others for example on the Fast Track Initiative and on political economy analysis in the sector. An important role has been to encourage bilateral to engage more effectively with the Bank and EC.

3.5 DFID N has a close working relationship with the adviser but has agreed that DFID would have an arm's length relationship so that the adviser could concentrate on the EC. In practice the post holder provides briefing and inputs to DFID on education as required (for example for the bilateral aid review and briefing/ responses to IDC queries). DFID N sees this as a temporary arrangement as the proposed division of labour minimises engagement on DFID-only objectives.

3.6 As a result of emerging concerns about text book procurement DFID N became increasingly concerned about the potential fiduciary risks and decided to devote more of their own staffing resources to track and monitor the problems and the donor response including attending donor meetings. The Deputy Team leader /A2 was required to reengage more directly with the donor group to ensure DFID could adequately understand and respond to any fiduciary risks. DFID N was concerned to ensure that financial controls, reporting and audit were adequate.

3.7 There were ongoing concerns about whether all the DFID N needs could be met by the Transfer Agreement in relation to financial management and fiduciary risks. The TAG was the first one developed by DFID and took some time to design. The two issues addressed were: (i) the relation of the secondee to DFID's corporate needs and (ii) DFID's practice (as a silent partner) to risk management. DFIDN is planning to amend the agreement and now uses EC financial reporting arrangements to meet its own accountability requirements.

3.8 In practice DFID N has been more active in the education sector than originally planned. For example, they have attended some of the DP meetings, responded to all corporate reporting needs including IDC and signed the joint financing agreement for the sector. They also set up an arrangement to bring in a regional education adviser from the Bangladesh office to support the seconded Education Adviser who was new in post. The regional adviser attended a major sector meeting and helped DFID to complete the annual review and reporting forms. This level of engagement is likely to reduce as the strategic partnership arrangements bed down.

3.9 In the health sector over the last 5 years DFID has adopted a more upstream approach engaging in sector dialogue related to the SWAP. GON staff in the Ministry stressed the important contribution that had been made by DFID to the development of the SWAP. In the past there was a dedicated A2 Adviser and a SAIC adviser who developed a close working relationship with the Ministry in support of the major DFID funded programmes in maternal health. A previous DFID review indicated that DFID N Advisers were successful in influencing health policy and in particular the introduction of free basic care and maternal care.<sup>35</sup> There was also more support through the national safe motherhood programmes, at the operational and institutional level by the adviser and through a substantial consultancy team.

3.10 Interviews suggest that the changeover to an A2 hybrid covering health and education faced some initial challenges. The new post did not require the post holder to have education experience as the education policy input was to be provided by the EC. However there was a need to cover two sectors at once until the new arrangements had been finalised. The hybrid post holder was tasked to oversee DFID's engagement in the design process and in mid-2009 contracted and managed a consultant for 3 months to manage DFID's support and to develop DFID's programme. The A2 post holder also finalised the programme documents and submission. The work involved the development of the innovative Transfer Agreement with the EC.

3.11 DFID's direct engagement on technical issues in the education sector was missed by other donors. However this needs to be seen in the context of the additional resource provided under the three month consultancy input (see above). There was a strategic decision to stay heavily engaged in health to support the planning of the Health SWAP but the need to cover the education sector to closely monitor fiduciary risk increased the workload. The previous post holder also reported a substantial workload around corporate reporting, results frameworks and Ministerial/Parliamentary business.

#### 4. Effectiveness

4.1 Hybrid posts used by DFID N have allowed DFID to respond to new demands relating to cross sectoral and SWAP related issues. The hybrid basic services post has also to be seen in the context of a team based approach which allows other skills to be brought in when required. This has allowed DFID N to focus scarce staffing resources on priority sectors and the challenges posed by new aid modalities such as pooled funding. It was intended that any requirements for Sector specific and specialist advice in health could be provided by other donors or through consultants also funded by DFID.

4.2 The primary reason for seconding an education adviser to the EC was to promote the Paris principles including a more appropriate division of labour. However this move has

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<sup>35</sup> See Nepal Case Study in DFID Influencing in the Health Sector DFID Nov 2009

also produced savings in DFIDN administration costs as there is now no need to provide in house staff to cover the sector. By programme funding the MMR/nutrition adviser, DFID N has also increased advisory input by drawing on programme funding.

4.3 It is too early to say definitively whether the secondee has had the planned impact on the management or delivery of the ECs Education programme. However since the secondment started there have been several notable achievements including the signing of the JFA; the bilateral SWAP agreement has been signed and DFID funds for education have been transferred to the EC. The Adviser reportedly spends 65% of the time as a SWAP manager i.e. on the education sector programme; 20% on EU delegation business and around 10% on DFID Corporate objectives including oversight of DFID programmes.

4.4 In the health sector GON and the donors also saw the withdrawal of a dedicated sectoral adviser as having some drawbacks. It has reduced the opportunities for DFID to influence sector policy and to engage with partners in understanding and addressing the constraints on the effectiveness of health sector institutions and services. However they also recognised there was technical expertise and capacity from the maternal health post and DFID funded consultants.

There are some important contextual factors which may have contributed to this perception and the overall situation that happened as the new hybrid post was implemented:

(i) Reduced SAIC adviser presence. From April 2009 (when the new basic services post was created) until August 2010 – the SAIC adviser was out of post for 7 months (of that 16 month period). This reduced the team’s engagement in the sector. This was partially addressed by input by the maternal/nutrition post in 2010.

(ii) Heavy workloads and commitments. In addition to routine health policy engagement, DFIDN was engaged in designing the next phase of support (£55m) to health and to education (£12m).

4.5 Partners also stated that when a donor reduces their presence it should be feasible to fill the gap with inputs from other donors. For example, the Bank has health sector specific capacity and had also provided support on financial management and procurement issues. DFID has also provided significant technical assistance from late 2008 in a range of health policy and systems areas that provide useful additional capacity directly to the Ministry of Health.

4.6 The move to a SWAP arrangement from 2004 has placed a stronger emphasis on upstream issues of health policy, public service reform and public financial management. The basic services adviser was selected against a new job description to provide a different skills mix that was focussed more specifically in these areas to support the donor group and the Ministry. The next SAIC adviser will also offer a key point of contact. Other donors and consultants are expected to provide technical expertise in Health and the EC secondee will provide sector specific advice in education. The DFID basic services adviser also has a health background and can provide some inputs. Other priorities will also have to be addressed including work on DFID N management, DFID corporate reporting and cross-cutting governance work in other sectors.

4.7 Fiduciary risks can be acute when the government’s capacity is weak and this requires early interventions to mitigate risk (e.g. in procurement) and a strong collective focus on monitoring and reporting. In the health sector the World Bank can also call on resources in these areas.

4.8 The DFID N hybrid post has been useful in assisting GON and other donors to address the wider range of cross-sectoral and aid effectiveness issues. Examples include: the health sector learning from the education sector joint financing agreement and education learning from health on procurement safeguards. DFIDN also facilitated

learning in the education sector on the implications from the DHS on the relationship between education levels and health outcomes. In the health sector this contribution is recognised by GON and the World Bank. GON identified how good practice has been transferred to the health sector for example in monitoring, audit and information management.

4.9 However GON and the World Bank retain concerns that multi sectoral hybrid posts face difficulties in covering too many sectors at once and that they may not have the time or capacity to get involved in complex issues especially in the health sector. For example, Government and donors have reported that the increase in responsibilities (i.e. taking on the education sector as well) meant that the previous A2 Health Adviser was less able to attend Health Sector Development Forum meetings and budget and planning meetings with Government. This concern may have been exacerbated by the time taken to fill the A2 post and the context mentioned in 4.4 above. However DFID N expects that these concerns are transitional and will be overcome when DFID N is fully staffed and the new arrangements can be properly tested.

4.10 Dedicated sector advisory support including close professional relationships with decision makers and operational knowledge of health systems is highly valued by GON. At the same time it is recognised that consultants can be used to enhance capacity and provide specialised advice. GON is also positive about the new SWAP aid structures.

4.11 The World Bank thought other donors can pick up any slack in the Health sector but if this is to be done a clear agreement is needed on the areas where DFID can make a contribution. Also that a joint financing agreement requires an in depth engagement. If this is not possible then DFID needs to decide the extent to which decision making is left to others and to receive feedback from the World Bank or the wider donor group. DFID Nepal's view is that levels of engagement depend on how concerned the donor is to ensure they get timely and accurate information on sector progress and risks. A donor that was willing to take a hands off approach and rely on others to manage risk could do so provided they were kept well informed and had confidence in other donors to respond effectively to any threats.

4.12 DFID N reported that the biggest problem in recent years was the uncertainty associated with recruitment, placement and deployment processes. There was a need to have a more organised approach to staff rotation between posts so that individuals and departments had a plan about future postings.

## 5. Lessons

- Using hybrid advisers provides flexibility to respond to changing business priorities but may crowd out more sector specific activities. Using consultants to provide extra capacity to line Ministries as DFID N has done in health can be a useful response. In DFID Nepal, the hybrid adviser will also continue to benefit significantly from the 50% of the A2 maternal health and nutrition adviser's time devoted to country level engagement.
- Silent partnership arrangements need to ensure that fiduciary risks can be identified and adequately addressed by partners. The most efficient way to do this would be by the silent partner placing a contractual responsibility on the active partner to take certain steps (information and action) in response to risks arising. In practice it is not always possible to get agreement from the active partner's legal department. DFID may need to maintain the flexibility to provide additional staff to safeguard the situation as did DFID Nepal.
- Using sector specific advisers has substantial benefits if the primary objective is to build close relationships, influence sector policy choices, contribute strongly to joint financing arrangements and to engage on service delivery issues. DFID Nepal experience in the Health sector illustrates the strengths of this approach. But close relationships also help manage fiduciary risk, since

trusted and well-networked advisers are more likely to be told about upcoming risks, and to know where the risks in the sector lie.

- DFID sector and hybrid advisers need to be able to address cross-sectoral issues especially those relating to financial management systems and controls and to establish and support harmonised donor structures for dialogue and reporting.
- Split posts can be an effective response to a number of complex demands but there are risks that the individual departments plan their share of the post without assessing the overall workload so that workloads become excessive.
- Demands for increased attention to results, value for money and managing fiduciary risk are steadily increasing and could potentially squeeze time for sectoral work.

## 6. Conclusions

6.1 DFID Nepal has sought to adapt its staffing and skills mix to respond to changing business needs. They have successfully reduced administrative costs whilst maintaining staffing inputs in human development by using secondments and programme funded staff. Use of a split post has also enabled a response to new priorities.

6.2 The new staffing arrangements in DFID Nepal are still bedding down but early experience suggests DFID N has not been wholly successful in exiting Education and have devoted more DFID N staff time than initially planned. They have also called on the time of the seconded adviser more than was anticipated at the outset. It has also been a challenge to ensure that hybrid posts can cover more than one sector and corporate demands because of the increasing workloads from the latter.

6.3 The hybrid post is well placed to provide more cross-cutting and governance related advice and the seconded education adviser is beginning to influence and integrate within the EC structures. GON and donors suggested that DFID N influence on health policy and service delivery has diminished as priorities and focus have shifted elsewhere (external constraints were also a factor) but the inputs from the 50% of the A2 maternal health and nutrition adviser's time will still provide a valuable contribution in these areas. It remains to be seen if other sector donors pick up the slack. DFIDN hope that alternatively, the stability in FTE time and the recruitment of a SAIC adviser may allow old levels of sector engagement to return. DFID N consultancy inputs to the Ministry of Health will also be important in this respect.

## Case 4: Tanzania: Hybrid Social Sector Adviser (Education lead with Health and Watsan responsibilities)

### 1. Context and Timeline

1.1 In the 1990s health and education outcomes in Tanzania were poor and were characterised by high infant and maternal mortality, low levels of primary education participation and poor quality. Since then a concerted effort by Government through sector strategies and substantial donor support has led to a noticeable improvement with a reduced burden of disease, some reduction in child mortality and an expansion in primary education.

1.2 At the start of the decade DFID supported the sector programmes or SWAPs in education and health including financing basket or pooled donor funding arrangements and associated provision of technical assistance. There were sector specific advisers dedicated to the health and education sectors at A2 level plus SAIC and programme management staff. The DFID regional office in Kenya initially provided oversight through an A1 Adviser in each sector and later there was also a regional health adviser supporting from Uganda that provided useful back up to the Social Sector Adviser.

1.3 The majority of the Tanzania country programme resources are now provided in the form of General Budget Support (GBS) to the Government through the Ministry of Finance. Funding is therefore no longer specifically earmarked for Health and Education. However, DFID T report that nominally they assume around 25% of the total contribution to GBS goes to the Education sector and around 13% for health. On this basis the following table gives an approximation of the trends in resource flow over the last few years.

Country Programme spend on Human Development (£ million) is shown below:

	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>
GBS	85	90	105.5	103.5	103.5
Of which Health	11.05	11.7	13.7	13.5	13.5
Of which Education	21.25	22.5	26.4	25.9	25.9
<b>SubTotal health and education</b>	<b>32.3</b>	<b>34.2</b>	<b>40.1</b>	<b>39.4</b>	<b>39.4</b>
DFID Country Programme *					
HD as % country prog					

Source: DFID Aid statistics and proportions provided by DFID Tanzania

The table shows a rising trend of spending on GBS and therefore proportionately on health and education as well.

1.4 As the focus of the bilateral programme has shifted, DFID Tanzania has also adapted their workforce and skills mix. DFID T moved away from using dedicated sector specific advisers in 2004, when the separate A2 education and health advisers were replaced with a Social Sector Adviser at A2. The post covered health, education and water, with the post holder attending donor partner group meetings whilst bringing in sector specific advisers from DFID HQ or from the region for the annual health sector review. The Adviser also led directly for DFID T on Education and water (i.e. without sector specific advisory back up).

SAIC staff also made very important contributions through the A2L social policy adviser level and together with the HCS A2 this provided a substantive input in the social sectors.

1.5 The Jan 2007 country strategy concentrated on promoting medium term changes (MTCs). These included core governance reforms of policy, planning and resource allocation (MTC2) as well as increasing the capacity of Government to provide improved services (MTC 4). The A2 Social Sector Adviser hybrid post led the social services MTC2 team drawn from SAIC programme staff and others including the Governance Adviser. Pressure from the Comprehensive Spending Review led to a major reorganisation of DFID T with a reduction of numbers from 39 to 30 staff and fewer higher grade staff.

1.6 Then in 2008, when DFID T took on the chairing (lead adviser) role in the education sector, an A2 education and social sector adviser was hired to replace the social sector Adviser post. Although this post leads on the Education sector it is also required to provide a watching brief in health and support and supervision of the water sector. It is therefore a "hybrid" post as defined in this review, but differed from the early SSA post in that DFID had decided to explicitly prioritise education and take a leadership role in that sector. DFIDT did not pull out of health completely until they had lobbied for a full time and competent secretariat to the donor group that could meet DFIDTs information

needs. In the water sector they funded Water Aid with a programme and policy function – so they did a lot of the required policy analysis, with DFID then feeding that into the donor group (where they played a critical role behind the scenes, but avoided a leadership role).

1.7 A strategic partnership was agreed with the Dutch whereby they represented DFID in the Health sector, but that did not continue once the Dutch were no longer members of the troika (mid-2009). An MOU has been signed with the EC whereby DFID represent them in the education sector and a further MOU is to be signed with the French (AFD) whereby DFID will represent them in the education sector as well.

DFID Staff in HD	2002/3	2004	2005	2006	2007	2008	2009	2010
A2 Education-hybrid social sector post								
A2 Health								
B1D (2)								
B2 programme support								
A2 Social Sector Adviser								
A2L SAIC social policy								

## 2. Drivers and Objectives

2.1 The key drivers for the changes in staffing support to the Human Development Sector in Tanzania have been:

- To match DFID staffing more closely with Country Programme objectives
- Promote the Paris agenda including exiting DFID from sectors that had sufficient advisory capacity provided by other DPs, and using silent partnerships e.g. in Health and Education
- To enable greater focus on broader issues of access and voice affecting the social sectors and on public financial management
- Greater focus in DFIDs programme including a withdrawal from health, maintaining active support to the water sector and having greater involvement in education
- Reducing administrative costs and doing more with less.

2.2 DFID Tanzania initially supported SWAP arrangements by making financial contributions to the donor basket funding arrangements in both the health and education sectors. The health sector SWAP is relatively mature as it started in 1998. The Ministry of Health regards the donor supported basket funding arrangement as the main source of financing but the SWAP is also funded indirectly through GBS and also by on budget projects. DFID was the lead agency and the main funder of the basket until 2004 when funding was switched to GBS to help promote a nationally owned and accountable resource allocation process. At that point Government was launching the Health Sector Strategic Plan 2003-8 which became the basis for the ongoing sector programme.

2.3 DFID remained active in the sector but worked through other partners to strengthen sector dialogue, improve information flows and promote dialogue on maternal mortality. In 2006 DFID adopted a delegated partner role under the Joint Assistance Strategy (JAST). DFID would henceforth track progress whilst still engaging in health issues for example at the GBS annual review. There are 17 active donor partners in health and basket funding to the Health sector is currently supported by 10 donors. The DPG has also reorganised itself under the JAST arrangements into a troika leadership system (current, incoming and outgoing Chair).

2.4 The first Education Sector Development Programme (ESDP) was developed in the late 1990s and implemented as sub sector programmes in primary and secondary education. DFID pressed for a coherent sector programme and by 2007 a revised ESDP was prepared. DFID remained concerned about the poor quality of primary education and access. DFID led the Development Partners Group in until 2003 and again in 2009. Under the JAST arrangement DFID is committed to remain active in the sector and several donors have exited.

2.5 As DFID moved away from basket funding of SWAP arrangements an A2 (Social Sector Adviser) Adviser was appointed in 2004 to cover health, education and watsan sectors. Although the appointee had an education background he was expected to cover all three areas and to represent DFID as required.

2.6 DFID Tanzania has since prioritised work in the social sectors on the delivery of education and water services with a strong focus on equity and accountability issues. The A2 education and social sector post aims to support strong and open sector dialogue processes and is playing a leading role in the sector dialogue with the Government, on behalf of education development partners. The post holder will complete the chairing role and switch to a deputy chairing role of the Education Development Partners (DP) group until December 2011.

2.7 The current post holder is an education specialist but the initial job description embraced a broader cross-cutting Governance and participation agenda. Post requirements emphasised generic rather than sector specific skills, although knowledge of Education was deemed desirable<sup>36</sup>. The aim is to support mechanisms to promote accountability of service providers to citizens, and to strengthen GOT's planning, reporting and budgeting processes to promote a more equitable provision of good quality social services. Education is the social sector that is used as a lens through which the effectiveness of GBS support is measured.

2.8 The current hybrid education and social sector Adviser post as set out in the job description has four main areas of responsibility but at the outset there was no agreed breakdown of the time to be allocated to each area:

- Service delivery (lead on education, watching brief on health and watsan)
- Public expenditure management and PRBS in social sectors
- Reform and Accountability
- Coordination and Management of the basic services and social protection team

### 3. Experience

3.1 DFID purposefully switched from health sector basket funding to GBS and reduced its advisory presence in the Health sector because there were several other donors regarded as having the capability to take forward the donor partnership and dialogue. The intention was to disengage and it was accepted that this would mean a reduction in influence. DFID was happy to see the sector policy dialogue handled by other donors but it also aimed to address many of the cross-cutting issues as part of the policy

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<sup>36</sup> Taken from the job description of the hybrid social sector adviser post

dialogue around GBS in which it was still engaged. This dialogue covered efforts to improve national planning and budgeting and financial management systems across the whole of Government and are common to health, education and water sectors.

3.2 Following this move, despite previous assurances that the overall resources flowing to the Health sector from the Ministry of Finance would be maintained, the level of funding going to the sector from Government decreased. The Ministry of Health reacted negatively to DFID switching to GBS and this subsequently created difficulties in the relationship.<sup>37</sup>

3.3 DFID's withdrawal from the Tanzania Health sector was viewed by the Ministry of Health and several donors as a betrayal of trust and a significant reduction in interest and financial commitment. Even though GBS financing increased and DFID explained that this allowed the Ministry of Finance to channel more funding to the health sector, the Ministry of Health argued that there was a reduction in their resource envelope provided by the Ministry of Finance. This affected relations with the Ministry of Health and key stakeholders at the time and damaged DFID's reputation. It took a long time to get back to the point where DFID could get any seat at the table or regain influence.

3.4 There was an expectation that other health sector donors would follow suit and switch from basket funding to GBS. However this did not happen and there was a continuation of a strong GOT and donor partnership based on ongoing sector level dialogue and financial support. DFID Tanzania's withdrawal of financial support and reduced role in health partnership structures meant that DFID was less able to directly influence the policy and development of the sector although it could still do so through the GBS dialogue and indirectly through other partners.

3.5 Prior to the adoption of GBS the DFID Health Adviser was acting as lead donor and was vocal and proactive in the health sector. Interviews with the Dutch suggest that when the hybrid multi sector post was created, the health sector donors perceived a noticeable shift in priorities and in the level of input by DFID. This was an inevitable consequence of adopting the delegated partnership. DFID regarded the arrangements as working well. The monitoring system allowed DFID to keep track of events and actively engage in the preparations for, and negotiations on, the health sector component of the GBS review. However, it was noted at the time that the effectiveness of the delegated role depended on maintaining sufficient credibility and appropriate relationships in the sector.<sup>38</sup> It also depended on setting up the secretariat which DFID lobbied hard for (and the Irish funded).

3.6 The negative reaction by the Ministry of Health to DFID's withdrawal of basket funding inevitably affected relationships and for a while this made it difficult for DFID to monitor developments as planned. The switch from a full time health sector specific adviser to a multi sectoral hybrid also meant that DFID could not attend so many Health Sector donor partner meetings. DFID was able to provide useful cross-sectoral experience and set out UK positions but did not have sufficient capacity to contribute much to working groups or to analyse sectoral policy options or key issues for example in public health priorities, health systems, health insurance, health workforces or service delivery.

3.7 It is difficult to say whether the delegated partnership left a gap in the donor group. There were a large number of donors (17 at the time) who could provide expertise instead of DFID and the World Bank was able to provide substantial support. But only a few of the donor group were willing and able to play a proactive role. No systematic assessment appears to have been done to assess the availability of this capacity. The Dutch are of the view that a core group of 4-5 donors need to commit to the sector and provide sector specific advice and analytical support. Some of these need to be prepared

<sup>37</sup> See **Sector Budget Support in Practice –Gregory Smith 2009 ODI and Paul Smithson 2002**

<sup>38</sup> Handover notes from DFID Adviser

to play a lead role and to have sector specific knowledge and operational experience in developing countries. In their view lead donors need to be able to offer sector specific advice supported by a wider team together covering public health policy, health economics and health sector institutions.

3.8 The current hybrid (social sector adviser) post holder is an education specialist and is expected to lead for DFID on that sector as well as maintaining a watching brief on the health sector. The post holder works in close collaboration with the SAIC Social Policy Adviser who provides support to the water sector. Both posts provide advisory support on the social sectors and specifically, on how core public service reforms impact on access to social services and public expenditure management.

3.9 The value of cross-sectoral inputs is recognised by Government and donors especially in relation to monitoring and evaluation but time and capacity for the health sector is perceived to be squeezed and DFID is regarded as not very active or visible in the sector. Again this is an inevitable consequence of the decision to leave the sector to others. Key meetings are attended but monthly partner meetings are a low priority. More recently in the last six months, donors are arguing this position is inconsistent with the current emphasis by DFID on maternal mortality and malaria.

3.10 In the education sector DFID was closely involved in the development of the second ESDP from its inception and conducted reviews and provided technical support which enabled GOT to explore issues and options for addressing quality and equity problems. DFID also supported the DPG to develop performance monitoring systems and to undertake public expenditure reviews and surveys.

3.11 SIDA was the Chair of the Education Sector Development Partners Group in 2008 and was out-going chair in 2009. They provided a sector specific Education Adviser. The donors had a troika arrangement with the current, previous and next Chair of the donor group working closely together that was maintained until the end of 2009, when the Government requested all troikas to be ended and to move to a longer term chairing role of 2 years. With DFID already chairing in 2009, GOT requested DFID to remain chair until the end of 2010 and then to move into the deputy chair role.

3.12 The development architecture in the education sector was streamlined to reduce transaction costs, but DFID note that there remains a significant need to have technical advisory support to the sector. The current complement of technical advisory staff for the education sector in Tanzania is considered limited and any further reductions of technical staff for any of the currently active partners could jeopardise the success of the sector programme.

3.13 The lead development partners in the education sector meet regularly with GOT and formally at least 4 times a year as part of the sector dialogue structure in formal Education Sector Development Committee meetings (ESDC) (chaired by the Permanent Secretary) as well as in the technical working groups that address key sectoral issues. There are additional meetings with the Director of Policy and Planning as part of the ESDC task team and separately with the Permanent Secretary as and when needed.

3.14 The SIDA Chair, as DFID does now in its chairing role, drew on the resources of other donors and was also backed up by SIDA staff with a background in higher Education and Economics. The Swedish take the view that the lead donor needs a sector specific team to ensure credibility and to enhance influence and effectiveness when working with GoT and the donor group. However they see this approach coming under pressure as SIDA gives more attention to cross-sectoral and corporate issues including monitoring results.

- 3.15 Prior to SIDA and before the troika was set up, the lead donor was the Dutch Government. During both of these periods DFID played an important role in technical Working Groups. In 2007 DFID became de facto the donor

group spokesperson until SIDA took over and Social Sector Adviser played an important part in the transition to the new arrangements. The hybrid nature of the post also assisted the donor group to transfer good practice from the health sector for example the template for the education sector report to the donors closely followed that of the health sector.

- 3.16 SIDA thought the social sector post was continuing to demonstrate the cross-cutting benefits for example by bringing in experience from health in relation to planning and budgeting. In addition, the continued dialogue with the chairs of the education, health and water sectors (bi-monthly meetings) has meant that sharing of common issues are addressed as part of the broader GBS dialogue. Education has been seen as the leader in taking forward assessment processes, in the development of a rating framework (adapted from the health sector) and expanded to now being used as the exemplar for all sectors.
- 3.17 Another strength of the arrangement was that it allowed DFID to be opportunistic and responsive to openings in each sector, responding to what might work, and moving away when progress stalled. One commentator stressed that the personal qualities, confidence and skills required by an adviser to keep so many balls in the air, and to have the courage of your convictions and choose which way to go, should not be underestimated.
- 3.18 However interviews also identified that the hybrid post has often been pressed and overloaded since it was established in 2004. Experience in Tanzania suggested that each sector has a substantial agenda and that major meetings, events and issues often needed to be addressed at the same time. It made it difficult to follow through and commit to specific areas of work. DFID staff had done well with the limited time they had available for education and health but managing time and workloads was a consistent challenge. This has particularly been the case with DFID chairing the education partner group, especially since 2010 when DFIDT became more involved in the health sector.
- 3.19 The move to GBS led to some consolidation and reductions in staffing inputs into the sector by the donors. In education the Dutch, Finns, Irish, Japanese and Norwegians have all withdrawn their experts and advisers in the last four years. In Education there are 17 donors that are considered active but only 8 are active in dialogue with GOT and only 6 have technical and sector specific expertise. In Health there are also 17 donors in all but more of them are actively providing technical advice and support.
- 3.20 Interviews suggest some support for the idea that donors need to maintain a mix of GBS and SBS modalities to ensure there is an ongoing dialogue on cross-cutting issues and systems affecting the whole of Government as well as sector policy issues. In Tanzania donors, including DFID, have tried to address sectoral issues through the dialogue around GBS but this has been difficult to do in practice. Donors thought that without the financial flow to the sector it was hard to maintain the case for sector specific dialogue, advisers and technical assistance.
- 3.21 The donors emphasised that to be effective in influencing sector policy donor staff needed to understand political structures and to be sensitive to national priorities and incentives. Ability to build ownership of reforms and work with national institutions to develop local solutions were critical skills.

#### 4. Effectiveness

4.1 Donor support in health and education has underpinned GOT spending in both sectors for more than a decade. This has produced demonstrable improvements in policy direction and in resource allocation. The recent study on the health sector by ODI noted that:

- The main area where SBS has had a positive influence on the MoHSW, is that the dialogue and conditions associated with SBS have created demands on the Ministry which have helped it move from being an implementer of services to one which sets policy, manages, monitors and supervises service provision.
- The main areas of good practice is that on core requirements in the domestic accountability cycle, such as budgets, reports and audits has helped raise the profile of domestic processes and therefore facilitated stronger domestic accountability.

The study also found that financial aid to the sector was substantial (US\$ 68 million in 2008) and had its greatest influence via the provision of discretionary resources to lower levels of government. Support to the health sector was the major driver behind early transfer of resources to local governments in the health sector. Despite gains in some areas SBS has failed to make progress in alleviating all the impediments to improved service delivery. The major failing relates to the issue of human resources. Human resources issues are argued to be a major factor limiting further progress in Health Sector outcomes and SBS has not been able to make or support significant gains in this key area.<sup>39</sup>

4.2 Health and education outcomes have been patchy but with notable improvements in some areas. In education enrolment levels have risen steadily (NER was 95% in 2010). However, large class sizes have constrained the quality of education and there remain significant concerns about equality of access as deployment of teachers remains very uneven and pass rates are dropping. Several key health indicators have also moved in the right direction: infant mortality has fallen by a third, nutrition levels have improved and there is a downward prevalence in TB, HIV and Aids. But there are many areas where progress is negligible or negative. Maternal mortality remains very high, access to services remains very poor even though numbers of health facilities have doubled and there is a severe shortage of professional staff and problems with drugs availability. This suggests a need for an ongoing donor effort to influence sector management, resource use and service delivery.

4.3 The interviews suggest that the hybrid approach by DFIDT has been able to support the delivery of human development sector strategies and programmes by applying cross sectoral lessons and pushing cross-cutting concerns in relation to public financial management. Commentators have suggested that the key to success was responding flexibly to the situation and especially to what other donors can offer. Where other donors had the technical expertise DFIDT focussed more process skills and the ability to work across a number of areas. Where there was a gap then DFID had to provide more technical skills. DFIDT have also tried to link sector level support with the GBS dialogue for example on fiduciary risks. It would be useful to explore how successful this has been, for example in improving overall risk management.

4.4 The recruitment of an individual with education sector experience to the post has also allowed DFIDT to maintain a credible role in the education sector dialogue and the development of policy on service delivery issues including the quality of basic education. This has included finalising strategic plans for teacher education, gender, HIV/AIDS, inclusive and environmental education in the last two years, as well as sub-sector programmes in secondary and higher education. DFID has also provided technical analysis and support to the donor group on constraints to systems and institutions and made explicit links to the on-going reform programmes of public service (PSRP), and local government (LGRP).

4.5 DFIDT was quite active in health during 2004-7 and after a lot of effort, had managed to re-engage (e.g. in the last PRBS review where they were influential in assessing sectoral performance as less than satisfactory). However, overall DFID has

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<sup>39</sup> Most of this section is drawn from Sector Budget Support in Practice-Health Sector in Tanzania ODI 2009

lost influence in the health sector as a result of the decision to move to GBS and the limited involvement of the hybrid post in the sector meetings. The current focus on education has also meant that less can be done in health and watsan. In this context it is unsurprising that the hybrid approach has been unable to sustain any substantial role in health. The role is now representational rather than substantively adding to policy dialogue and analysis of constraints on health systems and service delivery. Other donors appear to have picked up the gap in the health sector but would have liked a clearer indication of DFID's ongoing role and specific capacity earlier in the process.

4.6 In practice, the breadth of the terms of reference of the hybrid post are stretching and require a mix of skills that could be hard to find in any candidate. There may also be tendency to overload the post. Experience of post holders so far suggests that potentially the range of activities can exceed time available by a considerable margin and that there is a need to recognise that you can only go so deep with a hybrid post. . Although this can always be addressed through prioritisation, it does mean some aspects will receive less attention and other donors have noticed the effects on the DFID contribution. This may make it difficult in practice to take on new DFID priorities such as maternal mortality or malaria without additional advisory capacity, even if those inputs are largely delivered through partners.

4.7 DFIDT has reduced the cost of staff support to the human development sector over time and has shifted staff resources into areas prioritised by the country strategy. The net annual saving to the aid programme is at least 1 A2 post. New office staffing requirements are currently under review and it is expected that the advisory support to basic services will be prioritised and additional staff may be added to implement a growing social services portfolio.

## 5. Lessons

The key lessons about hybrid posts in Tanzania are:

- When DFID is reducing presence in a sector it is important to signal this clearly in advance to donor partners and to explain the level of representation and contribution that will be made in future.
- Careful attention to communicating intentions and managing the expectations of Government is needed when DFID reduces its presence. The Tanzania case illustrates the potential damage that can be done to the relationship with sector Ministries despite best efforts to explain the position.
- The initial hybrid post in Tanzania was generalist in nature but the post holder was still able to take on a lead role in the education sector. However capacity constraints prevented the post from providing in depth support and sector specific policy dialogue and advice to more than one sector.
- Cross-cutting sectoral advice and some governance aspects are a strength of hybrid posts and can be effectively provided where areas are well defined and the post holder has the requisite skills and knowledge. They are also flexible enough to respond to changing circumstances and opportunities.
- It is important to strike the right balance in the terms of reference for hybrid posts between the various areas to ensure that workload is manageable (i.e. the % to each should be pre defined) and that the core skills are well defined (i.e. generic and cross-cutting or sector specific).
- Where other donors have exited from a sector and the capacity to sustain dialogue is limited, DFID may need to maintain advisory support as in Education to ensure there is sufficient influence over policy and to effectively monitor developments and performance. Health may also be such a case worth revisiting.

## 6. Conclusions

6.1 The introduction of the hybrid post by DFIDT was a consequence of a strategic decision to increase dialogue on cross-cutting governance issues and associated increase in GBS. In the Health sector other donors chose to remain in the basket fund arrangement and not to follow DFID by switching to GBS. The rationale was the need to sustain the dialogue both at sectoral and macro level.

6.2 The hybrid post supported DFIDTs move to GBS and the effort to take forward the division of labour envisaged in the joint donor agreement. In that sense it has helped DFIDT to promote the Paris agenda and to focus down on priority areas in the bilateral programme. The hybrid post has also facilitated DFIDTs efforts to concentrate more strongly on education as a priority sector and to reduce (but initially maintain) a presence in health as well. Education donors regard the inputs to that sector positively.

6.3 The hybrid also enabled DFIDT give more attention to broader cross sectoral issues of access and voice affecting the social sectors and on public financial management. However in the transition process, DFID lost influence in the health sector and for a period the relationship with the Ministry of Health and donor stakeholders suffered. This suggests that a careful exit strategy with attention to communication is a pre requisite for avoiding negative consequences.

6.4 The breadth of the requirements of the hybrid post is demanding and this has inevitably created workload pressures and feedback suggests it is doubtful that all areas can be covered in the depth required. Prioritisation can help address these challenges but the scope of the hybrid post may be too demanding. It also creates a difficulty for recruitment and successful implementation can be very dependent on finding someone with the right balance of skills in the core areas required. Work –life balance issues may also need addressing.

6.5 The feedback from interviews highlighted the importance of ensuring a small group of donors are able to provide a range of sector specific and technical skills in health and education. This is consistent with findings in other case studies and with the recent NAO reports.

## Case 5: Mozambique: Human Development Team Leader/Adviser and team based approach (health, education and watsan)

### 1. Context and Timeline

1.1 Mozambique remains one of the poorest countries in the world although rapid growth rates in recent years have reduced the overall level of poverty, the country remains off track in some areas of the MDGs including hunger, education and gender. Poverty levels in rural areas remain high and access to social services and infrastructure is often poor.

1.2 Mozambique is making better progress in health and education. Only 2/3 of the population is covered by health services but since 2000 the government has prioritized the extension of coverage. Recent reports have identified substantial reductions in the under five mortality rate and in maternal mortality as well as a substantial expansion of primary education enrollment and increase in completion rates.<sup>40</sup> HIV and Aids remains a major threat to economic and social development and despite efforts to address the pandemic.

1.3 Over 2005-10 DFID support to the health sector was mainly through sector budget support (by contributing to the common donor pooled fund known as PROSAUDE) and programmatic funding for malaria bed nets, medicines and condoms. There was an important mother and child health project and DFID has also provided technical assistance for policy reform. In education the majority of funding is channeled to the

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<sup>40</sup> See for example Sector Budget Support in Practice Health in Mozambique ODI 2009 and Mozambique Human Development : Results and Value for Money HDRC July 2010

education sector pool fund FASE, with some smaller financial contributions being used for the funding of technical assistance support to the sector. In HIV/AIDS the financial contribution is split between pooled funding to the Common Fund (CF) of the National AIDS Council, and pooled funding to a separate Rapid Results Fund (RRF) which gives grants for implementation of priority programmes to small organizations.

1.4 Table 1 shows that £74 million has been spent on human development over the period or 23% of the country programme in 2008/9. Most of this went into the health sector.

**Table 1: DFID Spend in Health, Education HIV and AIDS Education in Mozambique: 2005-10**

	2005/6	2006/7	2007/8	2008/9	2009/10	Total
Health inc HIV& AIDS	10.488	5.919	15.173	10.68	9.811	52.071
Education	2.063	6.321	4.514	4.540	4.560	22.0
<b>Sub total</b>	<b>12,551</b>	<b>12.24</b>	<b>19.69</b>	<b>15.22</b>	<b>14.37</b>	<b>74.071</b>
DFID country programme	56.54	56.273	67.58	65.495	n.a.	
HD as % of the total	22	22	29	23		

Source: DFID Mozambique for sector data and UK Aid statistics for Country Programme

1.5 During this time DFID have used a team approach to cover the human development sector with an A2/A1 human development (a multi sectoral or "hybrid" post) team leader tasked with covering both health and education sectors. DFID Moz recognised that the team leader would be likely to have a stronger capability in either Health or Education and depending on the priority at the time they shifted from one sector specialism to the other.

1.6 In practice, when DFID did not have a leadership or focal partner role, the adviser was able to cover both sectors, but once DFID took on the significant responsibility of leading sector coordination the human development adviser's time was dominated by that sector and only oversight could be provided to the other, with additional support provided in that sector by SAIC staff.

1.7 The structure of the staffing covering human development in Mozambique was:

<b>DFID Staff in HD</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
A1 HD focus on education to 2006 then health	Focus on Education			Focus on health			Next focus on Education?
New A2 programme funded post in health at World Bank (20% for DIFD)							To be recruited

team)							
A2 Health-GFATM then HIV& Aids							Not replaced
A2L SAIC Health - HIV& Aids							Just recruited
SAIC Sector Manager A2L support (Education)	Limited	Limited		Focus on Education			
SAIC B and C grade							

In 2004 the hybrid post was occupied by an A2 HD adviser, who focussed mainly on education but also kept an oversight of the health sector. Over time, and in response to increasing central interest in health with the development of the International Health Partnership (IHP), DFIDM commitment to the health sector grew, and a replacement was recruited with a Health sector background with the aim of sharpening the donor dialogue and addressing critical health sector policy issues and constraints on service delivery including policy on user charges, workforce development and health systems.

1.8 An A3 (A2L) SAIC programme manager took on an increasing role representing DFID in education, with line management support from the HD adviser. Subsequently, when the A1 HD adviser took on the role of Focal Partner in March 2008, and had less time for education, the SAIC staff member was augmented with inputs from an Infrastructure Adviser who provided inputs and support on school construction, and the DFID economist, who provided inputs to the education sector audit and financing working group.

1.9 In 2007 an A2 Adviser was appointed to support DFID Corporate objectives of encouraging more direct engagement of the Global Fund in national sector plans and pooled funding arrangements at country level. As progress was made and DFID spending in HIV and Aids grew, the adviser was switched to working on this area and became the focal donor or lead donor.

1.10 Donors provide over 50% of the total funding in health and a Sector programme or SWAP was developed in 2000. During the next decade three common funds were set up including the main PROSAUDE fund supported by DFID, Danida, CIDA and the EC. A second group of donors are outside PROSAUDE but are very significant in terms of financial support. They include the US Government (PEPFAR), the Global Fund for Aids, TB and Malaria.

1.11 Support to the education sector has also taken place in the context of a SWAP. The latest is ESSP2 which runs over 2006-10 and concentrates on increasing access and improving quality of basic education through teacher training and classroom construction. There are 24 donors in education and the majority of resources (11 donors) are channelled via the FASE pooled donor fund.

1.12 In 2011 DFID Moz is planning a programme-funded health adviser post in the World Bank which will provide up to 20% of their capacity in support of DFID work in that sector.

## 2. Drivers and Objectives

2.1 The key drivers for the changes in staffing support to the Human Development Sector in Mozambique have been:

- Reducing administrative costs and doing more with less
- To match DFID staffing more closely with Country Programme priorities and sectors where DFID wanted to lead
- To pursue DFID corporate policy agendas on FTI and on health user fees, GFATM, HIV & Aids
- To protect DFID investments and ensure the effectiveness of DFID programmes in high spending sectors with some common features
- To promote the Paris agenda including focussing DFID efforts and encouraging other donors to harmonise with national plans and systems (e.g. to influence GFATM to join the ProSaude arrangement)

2.2 DFID Moz initially adopted a human development “hybrid” post model in 2001 because it anticipated that it could cover both sectors equally well with reduced administration costs. It was also at the point where GOM was developing plans for SWAPS in both sectors. DFIDM recognised that one of the sectors could take precedence at any given point depending on the development needs of Mozambique and the priorities of the country programme.

2.3 In the years from 2004-2007 DFID Moz gave a higher precedence to education because it was deemed a priority to get the ESSP off the ground and to find ways of contributing to DFID corporate priorities for increased investment in the sector. An educationist with established local knowledge and Portuguese was therefore recruited to the A1 human development post. The individual also had a Governance background which allowed an additional contribution to the development of the SWAP. Once the education sector programme was up and running more attention was given to implementation and the health sector became the priority for the A1 post. Initially the new post holder in 2007 covered both sectors but as ambitions grew, the post became almost entirely focussed on the Health sector.

2.4 In 2007 an adviser with health policy and medical experience was recruited at A1 level for this post. This was a strategic choice by DFID Mozambique to target DFID expertise where it could have the greatest potential impact and in particular to ensure that DFID could influence the rest of the donors and shape the health policy dialogue in key areas. The A1 adviser soon identified the opportunity of taking on the focal partner role, including Chairing the donor health sector group, and this reduced the amount of time available for direct input on education, increasing dependence on the A2L SAIC adviser to track DFID support in education. The A1 adviser took a lower profile and a more limited representational role in the education sector.

2.5 The post holder was also expected to have good knowledge of aid effectiveness issues and the Paris agenda. It was anticipated that this would enable DFID to lead by example and encourage the strengthening of harmonised donor structures in the health sector and the engagement of other donors in the pooled donor funding arrangements. This would promote greater alignment with Government budgeting and planning systems.

2.6 It soon became apparent that it was not feasible for the A1 post to cover the education sector in the same depth or for DFID to take a leadership role. Both sectors were complex and demanding with a range of key issues to be addressed. The need to support the SAIC programme manager as a de facto education adviser to represent DFID in the education sector and to contribute selectively to key issues wherever possible was met, with further support from the wider DFID Mozambique team (the infrastructure adviser and economics adviser).

2.7 At about the same time DFID HQ was giving a high priority to the International health Partnership (launched by then PM Gordon Brown in September 2008). Mozambique became a target country for DFID to pursue this objective and the A2 HIV/AIDS and health adviser, (who had been recruited to increase engagement on HIV/AIDS) was initially tasked with securing Mozambique's engagement in this process. Later, when DFID Mozambique also decided to take on the leadership role on HIV/AIDS, this role was absorbed into the work of the A1 and the A2 HIV/AIDS and health adviser was reassigned to leading HIV and Aids partners. The rationale for this was the increased emphasis in DFIDHQ policy on tackling the problem.

### 3. Experience

3.1 DFID Mozambique has used the senior A1 hybrid post to concentrate mainly on one sector at a time whilst providing general oversight to the other. In practice this has meant that the A1 adviser has concentrated on:

- Influencing policy dialogue and the development of the sector programme by GOM
- Influencing other donors in the sector to develop more aligned financing arrangements and reporting systems.
- Managing the in house human development team so they could address needs in other sectors and areas (e.g. HIV and Aids)
- Meeting DFID corporate and country programme commitments for performance reporting and briefing on the sector

3.2 The experience of DFID Mozambique in the human development sector has been well documented in previous studies.<sup>41</sup> These show that a considerable amount of staff time has been devoted to influencing Government and donors in both the health and education sectors. From 2007 onwards the Senior Human Development Adviser spent around 50% of the time on influencing activities and the A2 even more at 65%. Over 2005-7 the human development team as a whole devoted 6.4 person-years at a cost of £0.952 million.

3.3 The returns to this effort have been significant. As expected not all of the influencing efforts have been successful including for example the effort to permanently engage GFATM in the pooled donor fund in health or to mobilise large new resources to implement the health workforce plan. However recent assessments have highlighted several important areas of DFID contribution:

- Shaping sectoral policy. For example the development of the health sector strategy and human resource development plan. Also abolition of user fees in health and the reform of teacher training and school management
- Leading by example and persuasion has helped establish and expand pooled funds
- Greater alignment of some donors with GOM systems (e.g. PEPFAR in Health and FTI World Bank in Education)
- Cost savings and improved resource use in sector plans (e.g. school construction)

3.4 During the recent value for money study, the government advised that these contributions were directly as a result of the advice and technical support provided by the DFIDM Human Development Team.<sup>42</sup> The strength of the team was its ability to make a substantive contribution in both sectors but by concentrating on health the influence on policy was greater and the overall impact was broader. There was also a degree of cross sectoral transfer of experience for example the human development plan in health may be used as a template for education.

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<sup>41</sup> Human Development Performance Review : Results and Value for Money HDRC 2010  
And DFID Influencing In the Health Sector Working Paper No 33 Nov 2009

<sup>42</sup> Op cit HDSRC 2010 much of the content here is drawn from p 24 of that report

3.5 The Ministry of Health were clear that they valued the inputs by DFID since 2007 as an influential Chair of the donor group in the sector and this was as important as the financial support provided. Similarly the Ministry of Education had also viewed the role of the Senior Human Development Adviser as critical in the earlier period when DFID made a more visible contribution to the sector group. They noted that DFID had taken on a lower profile since 2007 but also valued the inputs that DFID has provided in support of other donors work on school construction costs. DFID's ability to provide analytical support in a flexible way is also important.

3.6 Government also stressed that in both sectors it was necessary to have a "critical mass" of donors to lead and finance work on key policy and operational issues. DFID had remained an important player in education even though their input was more indirect. However it was also apparent that the GOM recognised that since 2007 DFID's input was much reduced, was more selective and tended to be supportive of other donors rather than a leadership role. This role was feasible because other donors could take the lead. Interviews for the current assignment confirmed this.

3.7 The education sector experience since 2007 suggests that whilst it was possible for DFID to maintain an active and valuable presence it was not possible to influence policy and strategy without a more sector specific advisory input. The SAIC adviser was able to track the progress of the programme and manage the DFID 10 year commitment made under the previous administration. They successfully brought in other expertise in procurement, financial management etc. as required.

3.8 Both GOM and donors in the sector stressed the need for DFID Advisers to have expertise relevant to the sector and the seniority to represent their organisations and build lasting relationships with key policy makers. They also stressed the need for staff to be less inward looking and to have more operational and field experience.

3.9 The health and education Sectors in Mozambique are well supported by a range of donors. The EC reported that the GOM were concerned that the numbers of donors could make the relationship dysfunctional and that the aid architecture could be improved. Specific problems included the failure to assess the effectiveness of the various donor working groups and that donors often did not bring the right expertise to the discussions.

3.10 GOM wants to revisit the donor Working Groups to increase their efficiency and contribution. The MOH want fewer groups with donors that can offer individuals with relevant sector specific policy and technical expertise. It is expected that this will reduce transaction costs further and focus discussion on critical issues with more useful inputs from donors that can help address specific concrete issues around health systems and services.

3.11 The EC has been the focal point for Health and had experience of trying to do this through a multi sectoral hybrid post also dealing with education as well. Their experience has been much the same as DFIDs. In practice it proved impossible to cover both sectors and the role in the health sector dominated as the demands and complexity did not allow time for much engagement in education; only a watching brief was possible.

3.12 Both the EC and DFID Moz take the view that staffing decisions must reflect the contribution that the donor intends to make. If the donor wants to lead the donor partners, they need to devote a full time sector specific resource that can provide the authority and credibility to coordinate the different donor inputs, represent the wider group to the Government and to contribute effectively to the development of policy and strategy.

3.13 In the education sector the limited capacity of the Ministry of Education has meant that donors get more closely involved in the detailed planning and delivery of the sector programme. The previous donor chair stated that the donor focal point should have a

sector specific background to ensure credibility and that additional expertise could be provided by the wider donor group e.g. on education systems or institutions or on cross-cutting areas like public financial management. They thought GOM would listen more to a donor with demonstrable sectoral experience particularly of other developing countries.

3.14 The phase of the SWAP cycle has also determined the level and type of skills provided by donors. Much of the donor relationship in the last few years has focussed on monitoring the performance of the Education Sector Plan 2006-10. DFID and other donors have focussed on implementation. Interviews confirm that DFID engagement on school construction costs has helped GOM to adopt a more appropriate and cost effective approach which should improve performance and value for money in use of construction funds.

3.15 In 2010 DFID Mozambique decided to recruit a SAIC Health Adviser who will lead on HIV and Aids and provide other inputs to the sector. There will also be a new A1 Human Development Adviser whose cadre is as an education adviser, this decision has been taken in order to allow DFID to take on the focal partner leadership role for the education common fund (FASE). However, following changes in the UK administration and a decision for DFID to remain in the health sector, DFIDM will also seek to increase health advisory capacity in support of the overall donor programme (PROSAUDE) by appointing an A1/A2 programme funded health adviser. This post will be seconded to another donor organisation, and will only have a limited time commitment to support DFID specific functions, their principle task being to support the overall donor response in health. The person will be seconded to the World Bank with a specific focus on public finance issues. The A1/A2 Adviser will also support the in house SAIC Adviser (20% of the time).

3.16 DFID Mozambique has therefore decided to revert to a model using sector specialists in both sectors because of their importance in the country programme. The decision not to exit the Health sector has been taken because of the high level of interest shown by Ministers on health related issues including maternal mortality and malaria. The post will play a supporting role on specific issues but will not lead the donor group. These posts will retain a substantial management role as well so may be properly considered sector managers.

3.17 DFID Mozambique has given high priority to assessing value for money and thinks that this requires increased sector specific expertise. They need sector specific advisory input to help to define and assess programme options to ensure cost effectiveness analysis can be carried out and to define log frames with appropriate indicators and performance measures.

## 4. Effectiveness

4.1 The hybrid approach is perceived to be a way of working within the very tight administrative budget constraints. DFID Mozambique initially aimed to reduce administration costs by adopting the hybrid approach and team based model. However there is a recognition that this has probably gone too far. Recent decisions to recruit a new HD/Education A1, a SAIC in house health adviser and to programme fund a health adviser secondment to the World Bank indicates that the country team wish to maintain a full complement of sector specific advisers.

4.2 There has been a small increase in administration costs as in house SAIC staff have increased and the extra A1/2 post in the World Bank will be funded by the programme. In a purely financial sense DFIDM will then be devoting more funding to human development advisory staff.

4.3 Previously the human development team have been able to sustain an input into both education and health but this has worked because DFIDM has decided to lead in one sector and play a subordinate role in the other. Evidence from both the EC and DFIDM suggest that it has only been possible to substantially influence policy and sector

development in one sector at a time. It is not possible to cover all sectors equally because of workloads and time constraints. However DFIDM has been able to pursue DFID corporate policy objectives in both sectors over the past decade.

4.4 DFID Mozambique staff have also concluded that there has been a trade off in terms of quality and coverage. The attention given to water and sanitation has been less than DFIDM would have liked. Mid-decade the availability of an infrastructure adviser meant that some resources were available to play a more proactive role in the donor group. However the post was not replaced and DFID now relies on the Dutch in a silent partnership arrangement. However the lack of time and capacity has made it difficult for the human development team to exploit the full potential for cross sectoral links on watsan to health and education.

4.5 There is evidence that the use of a hybrid approach can improve cross sectoral transfer of such knowledge. The Senior Human Development Adviser post has also contributed to aid effectiveness in health and education by helping to shape the aid architecture and financing arrangements and by influencing other donors to join the donor common funds. In all cases this has required a substantial commitment by a senior adviser with sufficient knowledge and experience of aid effectiveness and harmonisation issues.

4.6 The EC experience in health suggests that effective donor dialogue needs to embrace a range of skills and expertise. Donors in the health sector have been effective because a core group of donors have provided sector specific knowledge and other expertise has been brought in to support Working Groups when needed (e.g. health systems, user fees and drug procurement, etc.) The limited availability of PFM skills to the Health sector donors will be addressed by the planned new DFID appointment.

4.7 DFIDM experience suggests that both generic and specialist skills can be effectively employed using the team based approach. However this requires the Senior Adviser to have management skills to steer the group and for all team members to share a common perspective and clear understanding of their role in relation to corporate requirements. The management and corporate requirements are considered central to the role and have used up a substantial proportion of the Senior Advisers time (can be 50%).

4.8 Interviews, recent reports and the Country Programme Evaluation suggest that other donors perceive DFID Advisers to be more inward looking and heavily pressed to meet corporate requirements especially over the last few years. The Human Development team try to ensure that routine reporting on results has been undertaken by programme support staff with guidance from the senior staff. In practice senior staff are often drawn into to respond to HQ demands for briefing and assessments of sector performance.

4.9 Interviews with other donors suggest that SAIC staff may face more difficulties in challenging Government over policy or fiduciary issues than UK based staff. Where the political and professional community is small there can be a lot of sensitivity around speaking out in public.

4.10 DFIDM staff also have a perception of a lack of linkage between overall workforce needs in the sectors and the planning of the development of the professional groups. DFIDM think it would enhance effectiveness if core sector specific skills (e.g. health policy, HIV & Aids, non formal education etc.) and other cross-cutting requirements (aid effectiveness, health and education systems PFM, etc.) could be defined for health and education. This would make it easier to match supply and demand, develop careers and justify investment in training.

## 5. Lessons

5.1 The key lessons about hybrid posts and human development teams in Mozambique are:

- Government want smaller bilateral donor teams to be formed at the sector level with representatives able to cover all the critical areas: sector policy, sector institutions and systems, cross-cutting skills including procurement and PFM.
- Sector specific advisers offer useful knowledge and experience in designing cost effective sector programmes, assessing value for money and defining results and performance. This was a major factor in DFIDM's decision not to exit health and to retain an A2 Adviser.
- a human development team approach provides a flexibility in response that can make a contribution to more than one sector (though in different ways) provided the level of ambition is realistic and a mix of skills are available.
- A senior hybrid human development adviser can realistically only expect to have a major policy influence and programme shaping role, in one sector at a time whilst maintaining a watching brief in the other. The adviser ideally needs to have a background in at least one of the sectors and to be able to deal with cross-cutting issues on aid effectiveness.
- In Mozambique adopting a chair of donor partner group or focal point role requires sector specific knowledge and experience for credibility, influence and to make a meaningful contribution to policy.
- The stage of the SWAP cycle matters. DFIDM has tended to use sector specific advisers when new programmes were being developed or when there was a substantial policy dialogue and more routine monitoring or specific inputs during implementation.
- There are trade-offs in coverage and quality in adopting a hybrid adviser approach and reducing inputs on watsan. DFIDM has not been able to maximise the potential to address watsan in health and education.
- Administrative cost savings can be generated by using hybrids but are likely to constrain DFID influence on policy dialogue and sector development. DFIDM has decided to enhance the advisory capacity available by programme funding a new post.

## 6. Conclusions

6.1 The Mozambique Government is frustrated by the large number of donors who do not always provide appropriate representatives and advisers with expertise that they value. In the health sector the government wants to move toward a smaller core group of donors that can offer a range of relevant sector specific knowledge around health policy, sectoral institutions and systems but can also offer cross-cutting advice and inputs in pay and human resources, public financial management and procurement. Advice on monitoring performance and results is also valued.

6.2 A desire to reduce administration costs and for greater consolidation and focus of the country programme has driven the adoption by DFIDM of the hybrid model and human development team approach in Mozambique. But since 2007 DFIDM has found that this approach has limited its influence in the education sector. This would matter less if other donors took up the slack but several are exiting and GOM want to maintain a critical mass of donors with the range of expertise required to develop the next phase of the Education SWAP.

6.3 DFIDM has had a significant influence on policy, sector development and with progressing aid effectiveness in the health sector and in HIV and Aids. However this cannot be sustained without further advisory inputs through the planned programme funded health adviser. Other donors are now taking on the leadership of the health sector donor group but DFIDM wants to retain its influence and in particular to help address public financial management and fiduciary issues.

6.4 The hybrid approach made sense whilst DFIDM wanted to reduce DFID's sectoral spread and to focus on specific priorities. It is less viable when there is an imperative to

remain closely engaged in policy reform and sector programme development in both education and health.

## Annex 2: DRAFT Decision-making approach<sup>43</sup>

Over the last decade, as pressure to reduce admin costs and increase spend rose, decisions regarding staffing have been primarily driven by the minimisation of costs, subject to the desire to achieve certain development outcomes. The objective of this decision making approach then is to revert this and stress the importance of focusing on the maximisation of development outcomes, subject to resource constraints.

This decision making process is designed to provide information about options and guidance on how to choose between alternative advisory models and advisers' skills. It could also serve as a focus or prompt for collective appraisal of the issue or for eliciting the views of others e.g. heads of profession, or (potential) team members in an office, as an aid to discussion and communication around the decision. The approach has three parts and includes a series of questions:

- The first part is designed to help think about the context and the pressures faced by DFID as well as by the decision makers.
- Question 1: What are the country needs and policy interests?
- Question 2: What are DFID's current and possible future corporate priorities?
- Question 3: What are the policy interests of the donor community?
- Question 4: What are the priorities for the DFID Country Office?
- The second part provides information about the various options available to the decision maker and an assessment of their strengths and weaknesses.
- The third part focuses on making a decision.
- Question 5: What advisory model will contribute to maximising the development outcomes of DFID's programme subject to corporate and contextual constraints?
- Question 6: Who should be responsible for what?

### Part 1: Context

This part focuses on outlining the main contextual characteristics or factors that may affect the advisory model decision. These include: the partner country and government needs and policy priorities, DFID's Country Office objectives, DFID corporate priorities, and the donor community competencies and interests. As you go through each question, you may want to fill out the respective columns in table 1 in order to record and share your judgements – and do not forget to consider how this changes over time.

#### **Question 1: What are the country needs and policy interests?**

The relationship with the national government (and the relevant ministries) emerges as a critical factor affecting DFID's success in all the case studies. Most importantly, government interviewees increasingly demand expert advice from donors –in particular on lessons linked to successes in the delivery of health and education services in their own countries. As other donors (such as the large Foundations and

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<sup>43</sup> Draft developed by Enrique Mendizabal, Harry Jones and Jeremy Clarke

the BRICS) enter the space this trusted expert partner role will no doubt be more relevant. Therefore, understanding the specific needs of the country and the interest of the government officials is crucial for the definition of advisory models and teams. Columns 2 and 3 in Table 1 can provide an opportunity to record these needs and interests.

**Question 2: What are DFID’s current and possible future corporate priorities?**

DFID’s own corporate drivers and constraints play a significant role in the choice of models. For instance, the current drive to strengthen DFID’s evidence base is likely to exert pressure on advisers to make more effective use of new types of evidence and will have an effect on their desired skill-set and the composition of advisory teams. DFID’s own policy interests are of equal importance as this defines the degree of prioritisation given to various policy sectors. Current interest in maternal mortality, for example, may put pressure to prioritise health over education. An assessment of *future* corporate priorities may also be desirable at this stage. Although advisory models have changed in the past, evidence from case studies suggests that sudden changes tend to have negative effects on the relationship between DFID and partner governments and donors. Hence, thinking about how the current model may evolve and change in the future –and therefore being able to articulate these changes to DFID’s partners- will reduce the possible negative effects of any change. Column 4 in Table 1 can provide an opportunity to record these current and likely future priorities for each sector.

**Question 3: What are the policy interests of the donor community?**

Another factor supporting or limiting DFID’s advisory models decisions is the interest or involvement of other donors on a particular issue. Given the pressure to reduce admin costs, DFID has taken advantage of its policy alignment with some like-minded donors to coordinate their advisory offer –in some cases this means that DFID has stepped down and allowed the partner donor to take the lead on a particular sector, and vice versa. A way of assessing their interest and level of alignment on key issues is to use the Alignment, Interest and Influence Matrix (AIIM) developed by RAPID and currently used by DFID for the planning of policy influencing strategies (see DFID’s How to Note on How to plan an influencing approach to multilateral organisations). For each sector, ask whether the other donors are 1) aligned (i.e. they agree with your objectives and methods) and 2) interested (i.e. this is a sector or issue that they want to see change in and are investing time and resources). Column 5 in the Table 1 can provide an opportunity to record the relative spread of donor interests and alignment in the sector.

For example:

- 1) Donors who are *highly aligned and interested* may regularly participate in meetings on the topic, and publically (or privately) support similar objectives, commit funds towards achieving them, etc.; as a consequence DFID may be able to work through these donors.
- 2) Donors who are aligned but less interested may include those who agree with DFID’s approach but do not commit time or resources towards the area, do not attend meetings, etc.; as a consequence DFID may be able to represent these donors but should not rely on them to represent DFID.
- 3) Donors with high interest in the sector but low alignment may publically or privately oppose DFID objectives, have their own initiative to achieve different results, or disagree with DFID’s assumptions or evidence; DFID should not attempt to work with these donors on key policy issues.

**Question 4: What are the priorities for the DFID Country Office?**

In the final column in Table 1, you may want to fill out the DFID Country office's priorities for the sector, and based on the above three questions, there should be an emerging picture of likely opportunities and constraints for meeting this.

**Table 1: Context**

<b>Sector</b>	<b>DFID Operational budget</b>	<b>Country specific needs</b>	<b>Government and Ministry needs or interests</b>	<b>DFID thematic priorities and corporate drivers</b>	<b>Policy interests of the donor and community: alignment, interest and influence</b>	<b>DFID CO goal, and opportunities and constraints for achieving them</b>
<i>Sector 1</i>						
<i>Sector 2</i>						
<i>Sector 3</i>						
<i>Other ...</i>						

## Part 2: Advisory model alternatives and adviser characteristics

This part of the decision-making tool focuses on providing more information about the possible choices between alternative or complementary models. The table below is organised according to the model but the user should consider the questions asked about the model as the way to choose between them.

When the choice between two or more models is unclear then further considerations could be incorporated: Can the models be combined? Which one is more affordable than the others? Can one model be adapted to evolve into another if the context and the objectives change?

**Table 2: Models, strengths, weaknesses and some considerations<sup>44</sup>**

<b>Model</b>	<b>Good for:</b>	<b>However:</b>	<b>Considerations or conditions</b>
Sector Specific Advisers	Supporting the sector policy and programme Understanding sector issues and operational constraints Professional credibility with Government and donor partners Bringing relevant good practice and sector knowledge Providing capacity to address service delivery constraints Influence and playing a leadership role with donor partners Ensuring value for money and effective assessment of results	May limit cross-sector learning Can lead to higher administration costs compared to alternative arrangements It may be difficult to ensure that sufficient contribution is made by sector specific posts to DFID Corporate requirements or programme management Very specific technical advice and expertise can be more cost effectively provided by consultants and technical assistance	Sector specific advisers are expected to be highly engaged in sector issues and must therefore be knowledgeable about their sector –in some cases their professional background must reflect this. Cross-sector learning must be supported by implementing knowledge management good practices
Hybrid Advisers This includes: human development posts, social	Linking upstream policy issues around GBS and the use of Government resources in the human development sectors Dealing with cross-cutting constraints	Less effective when used to influence policy and provide a sector specific contribution in several sectors at once Overload risk may appear due to the	Hybrid advisers depend on a broader range of actors and support services: <ul style="list-style-type: none"> <li>• Independent consultants</li> </ul>

<sup>44</sup> This table could be kept as an internal wiki allowing users to keep it up to date.

<p>sector adviser posts, basic services posts and outcomes coordinators</p>	<p>in partner countries</p> <p>Increasing cost efficiency by covering more than one sector at once</p> <p>Transferring good practice easily from one human development sector to another</p> <p>Dealing with Corporate priorities and management for results across a number of sectors</p>	<p>breadth of job descriptions involved</p> <p>Taking on management and DFID Corporate duties can crowd out time available for sector dialogue</p> <p>Switch to hybrid model can leave a gap in the sector policy dialogue and a need for donor partners to fill any technical or sector specific knowledge gaps</p> <p>Switch can have negative effects on the relationship with partner government</p>	<ul style="list-style-type: none"> <li>• SAIC to monitor progress in non-priority sectors</li> <li>• Resource centres</li> <li>• Silent partnerships</li> </ul>
<p>Human Development Teams</p>	<p>Allowing the team leader to focus mainly on one sector whilst team members lead on the other</p> <p>Allowing team leaders to concentrate on setting the broad strategy and direction for results management whilst routine monitoring and reporting is carried out by team members</p> <p>Providing cross-cutting and specialist inputs in a flexible way and as needed</p> <p>Developing and delivering an integrated strategy and approach for human development</p> <p>Maximises cross-sector lesson learning</p>	<p>Teams may be unable to meet partner Government or donor expectations for sector specific dialogue and support across all the sectors they are covering</p> <p>Depends on other donors or consultants filling the gaps</p> <p>Approach can be undermined by weaknesses in people and time management as each team member usually has only a percentage of their time allocated to each task</p> <p>There can be a high demand for teams to undertake work on results, value for money and fiduciary risks assessments to meet DFID HQ requirements</p>	<p>Teams require constant monitoring of the context as they assume that priorities will shift accordingly.</p> <p>The choice of team members must be carefully considered and possible synergies with Policy Division and shared regional advisers may be desirable options to address these changes.</p> <p>Team leaders should have strong management and leadership competencies and skills.</p> <p>Teams may include full time sector specific advisers, hybrid posts, SAICs, secondees and even trusted consultants.</p>
<p>Delegated Partnerships</p>	<p>Focusing DFID's effort on fewer sectors</p>	<p>Premature or poorly planned withdrawal from a sector can leave</p>	<p>Delegated partnerships require long and in-depth</p>

	<p>Implementing the Paris Agenda</p> <p>Reducing transaction costs for partner Governments by working with fewer donors</p> <p>Reducing DFID administrative costs</p>	<p>important intellectual and policy gaps which can reduce the impact of sector programmes</p> <p>Important differences in policy position between DFID and the delegated donor may require systematic dialogue to clarify positions to be presented to Government</p> <p>Tension and fiduciary risk may arise from different policy positions and aid systems of delegated donors</p> <p>Delegated authority arrangements can easily lead to a lack of clarity over roles, responsibilities, relationships and levels of capacity that is actually available</p>	<p>planning.</p> <p>Assumptions and risks needs to be outlined before any agreement is reached. Special care should be given to the working conditions of DFID secondees.</p> <p>Considerations should be made for different policy issues within a sector and DFID should include break-out clauses or consultation requirements in the case that certain issues arise or unexpected context changes take place.</p>
Other roles options -There is not enough evidence from case studies but the following suggestions can be offered			
SAIC	<p>Monitoring progress in specific sectors</p> <p>Accessing and maintaining domestic policy and research networks</p> <p>Managing expert inputs</p>	<p>SAIC might find it difficult to influence other donors and senior partner governments (unless they are senior themselves)</p>	<p>Support and legitimisation from strong sector specific adviser or Head of Office could address the limits of SAIC's influence on donors or government</p>
Independent consultants	<p>Providing expert input on specific policy issues or decision windows</p>	<p>Unlikely to be able to represent DFID</p> <p>Risky to rely on them for monitoring and oversight</p>	<p>DFID must be an intelligent consumer to ensure that expert inputs are identified and delivered at the right time and that terms of reference are appropriately designed and monitored. Sector specific advisers or experienced hybrid posts</p>

			should be ultimately responsible.
Secondments	<p>Embedding sector specific and expert capacity within a donor or the government</p> <p>Reducing admin costs and increasing the value for money of the programme budget</p> <p>Supporting the design, implementation and improvement of policies and programmes –particularly useful for service delivery</p>	<p>It would be difficult to deliver oversight and DFID corporate objectives due to conflict of interests</p> <p>Post may tend to become too sector focused –replicating the partner government’s own systems</p>	<p>Knowledge management and learning networks would be required to ensure that DFID advisers are able to collaborate and learn from each other in a context where fewer are based in-house.</p> <p>Require long and in-depth planning.</p> <p>Assumptions and risks needs to be outlined before any agreement is reached. Special care should be given to the working conditions of DFID secondees.</p> <p>Considerations should be made for different policy issues within a sector and DFID should include break-out clauses or consultation requirements in the case that certain issues arise or unexpected context changes take place.</p>
Geographically split posts	<p>Allow COs to use or call on specialised professional expertise at a low cost</p> <p>Focuses either on a specific issue or responsible for a sector which was otherwise not covered by in-country staff</p> <p>Allows COs to engage more fully with partners on certain issues</p>	<p>Difficult for advisers to manage expectations and prioritise their work while dealing with multiple competing demands from COs, or between reactive work and longer term in-country processes</p> <p>Depending on where the adviser sits, the others sharing her/his time may</p>	<p>It is important to be fair and explicit about the relative shares of the adviser, and an appreciation of the different types of work</p> <p>Careful decisions must be made about the physical placement of the adviser in</p>

	<p>Capitalises on synergies between country level and regional issues</p> <p>Improves CO-HQ or CO-regional learning</p>	<p>lose out on value in: informal interactions and conversations, a better familiarity with national issues, and time to build up relationships with partners</p>	<p>relation to the types of work to be carried out</p>
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Optional extra question: How does this match with the demands of government (or other partners)?

As well as assessing appropriate methods based on your own judgement of the context, it may be useful to get the views of government (or other partners) as to the most relevant and important capacities of DFID advisory teams working on the sector. A short survey emailed to key partners for them to fill out in order to gauge demand, by listing capabilities of DFID Human advisers and sector teams and asking respondents to score how important they find each capability, and how well they rate DFID's current arrangements in relation to it.

Possible capabilities include: Ability to communicate and represent collective donor and DFID priorities authoritatively; Adherence to Paris harmonisation agenda and knowledge and experience; Professional credibility and deep knowledge of a single sector e.g. health; Generic knowledge of aid modalities including budget support, fiduciary risk and public financial management; Breadth of knowledge and expertise beyond the sector (e.g. drawing in cross sectoral experience from other sectors); Seniority (more than 10 years); Experience of the sector elsewhere in Africa or other regions; Well informed and connected with DFID Corporate (HQ) issues and Ministers; Well informed about issues and policy in the human development sectors; and 'other' (ask respondent to specify).

### Part 3: Making a decision

This approach provides the user with information about the context, the drivers of change and the options available. Now it is the user's turn to decide. The driving questions should be:

#### **Question 5: What advisory model will contribute to maximising the development outcomes of DFID's programme subject to corporate and contextual constraints?**

The following suggestions may offer guidance and other may be drawn from the study:

1. If DFID the leading donor in the sector and wished to remain in this position then a sector specific adviser may be desirable.
2. If the partner government relies heavily on DFID's advice (and values it highly) then a sector specific adviser may be desirable.
3. If other donors lead in the sector and DFID is closely aligned to one or more donors then a hybrid or silent partnership model may be possible.
4. If, however, DFID has high interest in the sector –or is likely to in the future- then a human development team or a hybrid with extensive technical expert support may be desirable.
5. If a partner country is the leading driver of policy change and in charge of implementation then DFID's contribution may be better served through secondments, SAICs and independent consultants.
6. If the policy priorities of a country and of DFID are expected to change over the medium and long term, then a human development team (which could be regional and include split posts) may provide the flexibility required. A human development team is likely to include sector specific advisers, hybrids and SAICs.
7. When corporate and oversight responsibilities are top priorities for the advisers then a sector specific adviser or a hybrid with extensive experience would be advisable.
8. If the priority is to develop a new programme or provide expert advice related to its implementation then a sector specific adviser may be required.

#### **Question 6: Who should be responsible for what?**

Advisers are expected to deliver a range of objectives –which are expected to contribute to more tangible development outcomes. These objectives include:

- Responsibility for the concept, design, appraisal, implementation, and course corrections of DFID's bilateral programme support.
- Influencing policy with a view to leveraging spend in relation to both partner governments and other donors.
- Oversight of DFID's programme support and commitments –often meaning working directly with implementers of the policies and programmes DFID supports.
- Corporate priorities such as responding to requests and demands from the DFID HQ – writing up reports, stories for communications purposes, briefs for ministers, statistics etc. This includes parliamentary accountability – having to answer questions from public or the parliament, provide briefings, informing others within government or DFID on what DFID is doing.

Based on the pre-identified features of the context, what that means for current and future DFID goals, and the strengths and weaknesses of different models, the right balance needs to be identified. The following table may aid this decision:

**Table 3: Responsibilities**

<b>Objectives</b>	<b>Short term</b> <i>(level of effort, in %, for each of the objectives)</i>	<b>Long term</b> <i>(level of effort, in %, for each of the objectives)</i>
Support to bilateral programme		
Policy influence		
Oversight		

Corporate responsibilities		
Total effort	100%	100%