Terms of Reference
IHP+ Financial Management Technical Working Group

Background

IHP+ is a group of partners committed to improving the health of citizens in developing countries by putting the principles of effective development cooperation into practice. IHP+ began in 2007 with 27 partners including developing country governments, international development partners, Civil Society Organizations (CSOs) and other non-state actors. All are committed to accelerating progress towards the health MDGs by implementing the Paris and Busan principles. Today, IHP+ has 60 partners and over half of them are developing countries. IHP+ is co-managed by WHO and the World Bank with a Core Team partly in Geneva, partly in Washington doing the day to day management.

IHP+’s achievements are well documented\(^1\). However, a key message from IHP+’s 4\(^{th}\) Country Health Teams Meeting in Nairobi 2012 was that progress on effective development cooperation in health is slower than anticipated. And, overall, countries have moved further in implementing commitments than international development partners. The meeting stressed that faster progress requires action by all development actors to put principles into practice. This requires political and organizational action as well as technical tools, by governments, NGOs, CSOs, private sector actors, and – especially - by international development agencies. The messages from Nairobi were taken up by global health leaders and have become known as the ‘seven behaviors’\(^2\). These behaviors are not new, but they do crystallize key areas for action that would – if implemented - lead to visible results.

As one of the seven behaviors, Financial Management remains critical to achieving better health outcomes in partner countries. Harmonizing, and ultimately aligning development partners’ financial management systems will help achieve better outcomes for health interventions in partner countries through bringing aid on budget; enhancing budget execution; reducing transaction costs; increasing fiscal transparency and oversight over the use of aid funds; and ensure coordinated support for strengthening countries’ capacity. Given constraints to FM harmonization and alignment among donor partners, the need arises for an IHP+ technical working group to examine this agenda closely with the aim of finding common solutions and an agreed mechanism for achieving FM harmonization in partner countries. This work will focus on areas of FM that can be meaningfully addressed at the sector level, acknowledging that many issues will have to be taken forward in the context of general public financial management strengthening and reforms.

Guidance for Joint Financial Management Assessment has been developed by a working group formed among The World Bank, Global Fund and GAVI, facilitated by WHO. The approach has been tried in

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\(^1\) IHP+Results and Core Team Reports
\(^2\) http://www.internationalhealthpartnership.net/en/news-events/article/seven-behaviours-how-development-partners-can-change-for-the-better-325359/
Ethiopia and Sierra Leone with good progress. In Ethiopia, Health Sector FM arrangements are very much harmonized among major development partners, whereas in Sierra Leone, harmonization and alignment efforts have started with strong country ownership. An important aim of conducting Joint FM Assessment is to develop Joint Fiduciary Arrangements, which would include joint capacity building of FM systems, common financial reporting, one common audit, and joint supervision/review of the performance of the FM system.

Beyond IHP+ there is a large body of evidence on FM harmonization and alignment that can be drawn upon (e.g. SWAp arrangements, USAID-WB work in Senegal as well as general FM work done by for example ODI and the Bank).

**Objective**

To (i) gather knowledge on good practices for joint approaches to FM harmonization and alignment; (ii) synthesize and share this knowledge among development partners and partner countries; and (iii) facilitate support to the implementation of these joint FM harmonization and alignment approaches.

**Composition and timing**

The FM Technical Working Group will consist of FM experts from IHP+ development partners and partner countries.

The group’s work is expected to be relevant throughout the IHP+ 4th Work Plan (2014-15).

**Scope of Work and Responsibilities**

1) Identify good practices and lessons learned from FM harmonization and alignment efforts in the health sector in partner countries
2) Identify bottlenecks to FM harmonization and alignment among DPs and also at the country level
3) Share good practices and identify principles and options for harmonization and alignment, including Joint Fiduciary Arrangements
4) Review and if needed revise the IHP+ Guidance on Joint FM Assessment
5) Discuss, on an on-going basis, emerging issues in FM harmonization and alignment
6) Assist the IHP+ Core Team in facilitating, on request, support to countries including Joint FM Assessments and identification of suitable Joint Fiduciary Arrangements
7) Delineate issues that need to be addressed at the political level from those that are purely technical.
8) Other arising responsibilities as decided by the IHP+ Steering Committee

**Outputs**

1) Work plan (which will include the elements above)
2) A note identifying bottlenecks to FM harmonization and alignment among donors
3) A report on good practices and lessons learned from FM harmonization and alignment efforts in the health sector in partner countries including guidance on options for advancing FM
harmonization and alignment through Joint FM Assessments, Joint Fiduciary Arrangements and other modalities in countries

4) Support for FM harmonization/alignment to countries facilitated through the IHP+ Core Team

5) Simplified communication on what FM harmonization and alignment means

6) Other outputs as defined in the work plan of the group

**Reporting, meeting and organizational arrangements**

The group will be chaired by a Word Bank Financial Management Sector Manager. The technical working group will report to the IHP+ Steering committee. The FM Technical Working Group’s meeting minutes shall be documented and disseminated to all participating members as well as the IHP+ Core Team and the IHP+ Reference Group, and will be posted on the IHP+ web-site.

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