

## **THE UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)**

### **Letter of Commitment of Intent to Align DFID Support to Zambia to the IHP+ Principles**

#### **1 Introduction**

This document seeks to present the commitments of intent made by the Department for International Development (DFID) of the United Kingdom (UK) towards scaling up, harmonization and coordination of international support to Zambia's health sector, aimed at accelerating efforts towards the Millennium Development Goals (MDGs) and national health priorities.

The UK was one of the international development partners and Zambia was one of the developing countries that signed the International Health Partnerships Global Compact (IHP Compact) in September 2007. The objective of the IHP Compact is to translate the Paris Declarations on aid effectiveness and other related international initiatives into action and achieve the health-related MDGs at country level, through better harmonisation and co-ordination of resources, particularly international aid, focused on results and mutual accountability.

In January 2009, Zambia developed an Addendum to the 2006 Memorandum of Understanding (MOU) between the Government of the Republic of Zambia (GRZ)/Ministry of Health (MOH), and the international Cooperating Partners (CPs) supporting the Zambian health sector. The 2009 Addendum seeks to provide a country-level framework for alignment of the MOU to the IHP principles in Zambia. The DFID is one of the signatories to both the 2006 MOU and the 2009 Addendum.

This letter of commitment of intent is not a legally binding document and does not in any way seek to amend any existing bilateral agreements between the GRZ/MOH and the UK/DFID. Rather, it is presented and shall be construed as part of the 2009 Addendum to the 2006 MOU. It seeks to supplement the provisions of the MOU and the 2009 Addendum to the MOU, with the view of providing for appropriate alignment of the MOU along the principles of the International Health Partnerships and related initiatives (IHP+).

This letter of commitment of intent outlines the profile of the DFID, its involvement in the Zambian health sector, focus of the support and presents specific commitments, which shall form the basic principles of its support to the sector. It also provides an accountability framework, with key milestones projected for meeting various benchmarks for their alignment of aid.

## 2 Profile of the DFID

The British Government is among the leading donor countries providing financial and technical support to various developing countries, aimed at facilitating and stimulating economic, social and human development in these countries. In September 2007, the UK was among the first 7 developed countries to sign the IHP Global Compact. In this respect, the UK has committed to support and promote efforts by international donors towards strengthening harmonization and coordination of their aid to developing countries, in line with the Paris declarations on aid effectiveness and the IHP Global Compact. The Government also confirms its support and commitment to the successful development and implementation of country-level IHP Compacts, aimed at turning the Paris declarations and other initiatives aimed at strengthening harmonization and coordination of international and domestic resources, into reality.

The Department for International Development (DFID) is a wing of the UK Government, responsible for the management and coordination of Britain's development aid to poor countries and works to get rid of extreme poverty. In this respect, the DFID is a key partner supporting the health sector in Zambia. Support to the Zambian health sector is guided by a number of country-level policies and strategies, particularly the:

- 2006 MOU between GRZ/MOH and CPs;
- Vision 2030 and the Fifth National Development Plan (FNDP);
- National Health Policies and Strategies, 1992;
- Aid Policy for Zambia;
- Joint Assistance Strategy for Zambia (JASZ), 2006; and
- Bilateral Agreements between GRZ/MOH and UK/DFID, relating to support to Zambia and the health sector in particular.

## 3 Areas of Focus

The key focus areas for DFID are: funding schemes to promote sustainable development and eliminate poverty; and research into new science, technologies and policy innovations with an emphasis on poverty reduction and the needs of the poor at the forefront of global research efforts. Some of the health programmes that DFID is actively involved in include:

- Financial and technical support to global initiatives and global partners such as GFATM and UNAIDS (including the 'rapids funding envelopes');
- Technical reviews of international agendas, such as maternal health and HIV and AIDS within difficult environments, sector wide approaches (SWAps) and PRSPs;
- Assessments of international aid flows and aid architecture;
- Assistance in developing health sector or multi-sector policies and approaches on HIV and AIDS; and
- Review of regional initiatives.

In the Zambian health sector, DFID has continued to be one of the leading partner, providing significant support and advise in various areas of need, including sector governance, programme implementation, human resource, systems strengthening, and monitoring and implementation.

**(May expand to discuss country-level involvement at priorities)**

#### 4 Specific Commitments towards Scaling-up, Harmonisation and Coordination in the Zambian Health Sector

DFID reaffirms the UK Government's commitment to the principles of the IHP Global Compact and support to the development of country-level IHP compacts. DFID is committed to the promotion of harmonization and alignment of international aid to the developing countries. In this respect, DFID has drafted a medium term action plan setting out its response to the Paris agenda and summarizing the commitments and targets DFID has signed up on. The Action Plan emphasizes the importance of:

- Strong assertive partner country leadership;
- Building support around partner countries own plans and priorities;
- Joint operations. DFID needs to continue with pooled budget support and do much more on pooled capacity building;
- Moving forward with innovative approaches in joint programming, joint strategies, joint offices and sharing staff; and
- Agreeing a better division of labour between donors at sector level.

DFID also acknowledges the significant achievements made in strengthening aid coordination in Zambia, through the SWAPs, and commits to support efforts towards further strengthen of aid harmonisation and coordination in the country, in line with the guiding principles of the IHP.

In recognition of the significant commitments made by GRZ/MOH in the 2009 Addendum, and in line with its own commitments to the IHP Global Compact and other initiatives on harmonization and coordination of international aid, the DFID hereby confirms its commitment to enhance and align its support to the Zambian health sector on the basis of the following commitments:

- a) **ONE single national health strategic plan and HIV/AIDS Strategic Plan:** To support the NHSP and the National HIV/AIDS Strategic Plan, as the single integrated plan for scaling up support to the health sector and accelerating progress towards the health related MDGs and national health priorities.
- b) **To measure progress on alignment using ONE single country-based validation process:** To commit to one single validation process, i.e. the Joint Annual Review (JAR) and SWAp coordination arrangements.
- c) **To use ONE single results framework:** The CPs commit to rely on ONE single results framework, jointly developed and agreed with the Government, as the single basis for measuring progress towards implementation of the MDGs and national health objectives and targets. This includes ONE single monitoring process shared by all parties using the established Performance Assessment Framework (PAF) as the single monitoring tool for sector performance, and commitment to conducting joint missions and joint performance reviews.
- d) **ONE single budget:** The CPs commit to use ONE single sector budget as the basis for determining financial support to the sector. This includes commitment to harmonize their planning and programming of support, with the country's budget cycle and implementation timeframes, and buying into the NHSP, action plans and budgets.

This may not necessarily mean that all funding needs will be in the form of budget support or sector basket support, but that funds provided should be in line with the national health budget priorities and should be provided in a timely and predictable manner.

- e) **To scale up financial support to the sector:** To scale up financial and technical support to the health sector, based on a strong national strategy, identified financing gaps and proposed financing scenarios, to meet additional financing required to achieve the MDGs.
- f) **To provide longer term and more predictable financing:** To provide financial support on a long-term and more predictable basis, based on the identified financing gaps and scenarios. In this respect, the CPs will be providing financing commitments on a 3 year rolling basis, which will be reviewed and updated yearly through the ACM.
- g) **To align support to the existing Government procedures and processes:** including the annual calendar for planning, budgeting and reporting. Agencies not able to sign the MoU will commit to adhere to the principles of the MoU in practice.
- h) Commitment to **ONE single fiduciary framework:** with shared procurement and financial management procedures that should be aligned with country systems.

## 5 Framework for Alignment to the Commitments

DFID recognizes the need to implement all the collective commitments of intent made in the 2009 Addendum to the MOU and this letter of commitment of intent, expeditiously, so as to achieve results, particularly the MDGs. In this respect, DFID further commits to observe and use the Framework for Compliance (See Appendix I), as the basis for monitoring progress towards alignment of its practices to the principles of the 2009 Addendum, MOU and IHP.

## 6 Commitment to Mutual Partner Compliance Monitoring

DFID confirms its commitment to participate and encourage mutual monitoring of each partners' performance against the commitments made in the MOU and the 2009 Addendum to the MOU. This shall be done through the established SWAp governance and coordination frameworks.

## 7 Conditions Precedent

[Partners may provide any conditionalities that they consider necessary]

## DFID in Zambia

## Framework for Compliance with the 2009 Addendum

S/N	IHP Commitment/ Benchmark	Baseline / Current Status	Date (Milestone)
<b>1.</b>	<b>Commitment to use ONE single country health strategy and validation process</b>		
	<ul style="list-style-type: none"> <li>Participate in the strategy development and approval process.</li> </ul>		
	<ul style="list-style-type: none"> <li>Use one single joint validation process for the NHSP 2006-10. No additional/separate validation processes.</li> </ul>		
	<ul style="list-style-type: none"> <li>Use the NHSP 2006-10 costing and gap analysis, as the single basis for determining the strategy and priorities for future support to the sector. No requests for additional/separate proposals, plans and justifications.</li> </ul>		
<b>2.</b>	<b>Commitment to use ONE single results framework</b>		
	<ul style="list-style-type: none"> <li>Participate in the development, review and approval of the Health Sector Performance Monitoring Framework (HSPMF).</li> </ul>		
	<ul style="list-style-type: none"> <li>Use one single results framework, approved by the Sector Advisory Group (SAG).</li> </ul>		
	<ul style="list-style-type: none"> <li>Participate in joint performance reviews, within the SAG M&amp;E framework - PAF, Joint Annual Reviews (JARs), MTR and ETR.</li> </ul>		
	<ul style="list-style-type: none"> <li>Still conducting additional/separate performance reviews and indicators</li> </ul>		
	<ul style="list-style-type: none"> <li>Use one set of disbursement triggers approved by the SAG. No requests for additional/separate indicators, analysis and reviews.</li> </ul>		
<b>3.</b>	<b>Commitment to ONE single budget</b>		
	<ul style="list-style-type: none"> <li>Use the sector budget as the basis for financing</li> </ul>		
	<ul style="list-style-type: none"> <li>Budgeting and financial reporting aligned to the Govt/sector financial year and planning calendar</li> </ul>		
	<ul style="list-style-type: none"> <li>Preferred mode of support</li> </ul>		
	<ul style="list-style-type: none"> <li>Purpose of funding/programmes or activities supported</li> </ul>		
	<ul style="list-style-type: none"> <li>Providing confirmation of annual financial commitments according GRZ/MOH planning calendar</li> </ul>		
	<ul style="list-style-type: none"> <li>Disbursements based on jointly agreed triggers</li> </ul>		
	<ul style="list-style-type: none"> <li>Financial reporting aligned to Gvt/MOH systems and calendar, as agreed by SAG. No additional reports.</li> </ul>		
<b>4.</b>	<b>Commitment to ONE single fiduciary framework</b>		
	<ul style="list-style-type: none"> <li>Use one fiduciary framework</li> </ul>		
	<ul style="list-style-type: none"> <li>Use of other fiduciary frameworks discontinued</li> </ul>		
<b>5.</b>	<b>Commitment to Scale up financial support</b>		
	<ul style="list-style-type: none"> <li>Pledge to increase financial support from</li> </ul>		
	<ul style="list-style-type: none"> <li>Preferred mode of support</li> </ul>		

**Sample Commitment of Intent - Zambia**

<b>S/N</b>	<b>IHP Commitment/ Benchmark</b>	<b>Baseline /</b>	<b>Date (Milestone)</b>
<b>6.</b>	<b>Commitment to provide increased, longer term and predictable financing</b>		
	<ul style="list-style-type: none"> <li>• Long-term financing commitments (minimum of 3 years projected support), based on the NHSP and gap analysis</li> </ul>		
	<ul style="list-style-type: none"> <li>• Indicated the preferred mode of support</li> </ul>		
	<ul style="list-style-type: none"> <li>• Projections of proposed long-term (minimum 3 years) submitted to MOH</li> </ul>		
	<ul style="list-style-type: none"> <li>• Confirmations of annual disbursement levels and schedules provided to MOH during the planning cycle</li> </ul>		
	<ul style="list-style-type: none"> <li>• % Actual funds disbursed against the total pledged for the given period</li> </ul>		
<b>7.</b>	<b>commitment to align their support to the existing government procedures and processes</b>		
	<ul style="list-style-type: none"> <li>• Planning and budgeting aligned to government systems and calendar</li> </ul>		
	<ul style="list-style-type: none"> <li>• Disbursement plans aligned to Government financial year calendar</li> </ul>		
	<ul style="list-style-type: none"> <li>• M&amp;E aligned to the joint/government systems and calendar</li> </ul>		
	<ul style="list-style-type: none"> <li>• Progress and financial reporting aligned to jointly agreed framework and calendar</li> </ul>		
<b>8.</b>	<b>Commitment to use ONE single country health strategy and validation process</b>		
	<ul style="list-style-type: none"> <li>• Participate in the strategy development and approval process.</li> </ul>		
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