

PARTNERSHIP AGREEMENTS

1. This brief provides a definition of Partnership Agreements, illustrates how they fit into the operational cycle, and specifies the expected content.

I. DEFINITION AND PURPOSE

2. The Partnership Agreement:

- (i) Is based on the strategic choices that evolve from the Poverty Analysis;
- (ii) Results from the consultation process in the country, including the High-Level Forum;
- (iii) Is a subset of the government's own antipoverty strategy and goals, as it focuses on areas in which the government and ADB will work together;
- (iv) Defines a long-term vision for the cooperation between the government and ADB, setting out short, medium, and long-term priorities and a suggested sequence of interventions within these time frames;
- (v) Determines the content of the Country Assistance Plan (CAP);
- (vi) Contains agreed targets and milestones for poverty reduction, expressed as measurable improvements over an explicitly stated baseline over a specified period. The selection of indicators will be country-specific, but is expected to match at least some of the indicators that measure the International Development Goals (IDG);
- (vii) Sets out a monitoring, review, and evaluation plan to observe performance against targets and to allow revising medium and long-term targets depending on achievements and context changes. This flexibility is needed to ensure that the Partnership Agreement remains current and responsive to changing needs.

II. RELATIONSHIP TO THE OPERATIONAL CYCLE

3. The Partnership Agreement is prepared after the Country Operational Strategy (COS) has been approved and determines the content of the CAP.

4. In countries where the COS has been recently completed or is at an advanced stage, the Partnership Agreement is prepared after the High-Level Forum at which poverty reduction alternatives were discussed among stakeholders from government, civil society, private sector, and the development community.

5. Whether drafted as part of the COS preparation process or after the High-Level Forum, the Partnership Agreement precedes the CAP and determines its content. It goes beyond the typical COS and CAP in that it sets specific sector goals, with quantified targets set against identified baseline situations.

III. CONTENT

6. The Partnership Agreement takes the form of a Memorandum of Understanding, signed by high-level representatives of the government and ADB, which determines the content of subsequent CAPs. It should include the following building blocks.

A. Long-term Vision

7. The long-term vision should reflect progress that the Government aims to achieve in cooperation with ADB against IDG¹ or additional indicators, as suitable to the country. These are goals that require a longer period to materialize. The goals should specify quantified improvements that will be attained over the long-term (current baseline, changes in absolute and relative terms, and the time horizon by when improvements will be attained, which would normally be something around 10-15 years). The chosen indicators will set the stage for medium- and short-term goals (see below) for specific sectors and/or geographical areas. They should also recognize the broader impact of poverty reduction measures, aiming to account for synergy effects and longer-term policy impacts.

B. Intermediate Goals

8. Derived from the long-term vision, intermediate goals should be specified that form the logical link between the long term vision and short-term actions. These should focus on policies, institutions, sectors/subsectors, and possibly geographical areas that need to be assisted over the medium-term to attain long-term targets. The choice of sectors/subsectors or geographical areas does not need to remain fixed, but should reflect an approach of working first on key issues, followed by subsequent assistance to other areas that are less urgent in year one or require that other root problems are resolved first.²

9. The intermediate goals determine the sequence in which assistance will be provided and thus in turn set the priorities for short-term actions. They should define areas where the Government and ADB anticipate collaborating over the medium-term (about 5 years) and the corresponding goals that should be attained at the end of this period. These goals should be determined based on current baseline information and realistically set quantified targets (including reforms and other prerequisites and conditions that need to be met to arrive at goals).

10. Flexibility in the medium-term goals is attained through frequent reviews of progress. Such evaluation focuses on the implementation of the short-term actions and their achievements, combined with a review of changes in policies, institutions, priority areas of other external agencies, etc. This analysis should help revise, update and further specify the intermediate goals to verify whether the sequence of events anticipated in the first year of the Partnership Agreement still holds. It will also ensure

¹ The Strategy 21 Goals (mostly for 2015) include: proportion of people in extreme poverty; universal primary education for boys and girls, reduced mortality rates (by two thirds) for infants and children under 5, and by three-fourths for mothers, and access to reproductive health care to mothers; national strategies for environmentally sustainable development, and reverse the current loss of environmental resources. The ESCAP goals include (for different time horizons): reduce absolute poverty by half the 1990 level, eradicate absolute poverty; ensure 80% completion of primary education, universal access to basic education, gender equality in education, reduced infant and maternal mortality rates, and rate of malnutrition; poverty-focused environmental protection plans, and measures to enforce sound management of toxic waste. Appendix 1 of the Poverty Reduction Strategy contains the list of goals and target years.

² For instance, in one example, the need of a particular sector might be such that they cannot be met within a short time frame, in which case several phases of assistance to the same subsector may be provided. In other cases subsector issues may be so complex that it is advisable to work with a test phase, followed by an expansion/full-fledged phase. Yet, in other examples, only minor assistance is needed in one subsector that should be followed by assistance to another, but related subsector.

that medium-term goals are still relevant and feasible, before they are used to determine subsequent short-term actions (to be selected after the first set of short-term actions has been implemented).

C. Concrete Short-term Actions

11. These are specific interventions for inclusion in the CAP, with achievable and measurable targets (as improvements over a determined current situation), within a specified time period (2-3 years). The performance of these targets will be reviewed annually.

D. Monitoring and Evaluation Arrangements

12. The above requirements for determining indicators, baselines and targets are the basis for monitoring progress and measuring success. The applicable poverty line (international, national, absolute and relative) should be determined in the Partnership Agreement.

13. In addition, the Partnership Agreement should define the role and involvement of the government, civil society, and ADB in monitoring and evaluation, determining responsibilities for data collection, compilation, analysis, reporting, and follow-up action.

14. It is important that the monitoring system is linked to decision-making processes. For governments, agreements should be reached on who will be reviewing performance data and taking decisions on resource allocations and other measures to improve performance, should it be falling short. For ADB, performance will be discussed at the Senior Management Meetings to determine the need for measures to ensure targets are met.