

Asian Development Bank: Country Partnership Strategy

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14 October 2008

Objective

- The Country Partnership Strategy (CPS)* is the primary guiding tool for ADB operations at the country level
- The CPS provides a plan of how ADB's assistance will effectively contribute to the DMC's development and poverty reduction goals as well as country specific Millennium Development Goals (MDGs)

* The Country Strategy and Program (CSP) has been renamed to **Country Partnership Strategy (CPS)** to emphasize the principal nature of its relationship with DMCs and further strengthen country ownership

Key Features

- **Partnership with DMCs**
 - Full participation involving government and nongovernment stakeholders to ensure board commitment to, and ownership of, the strategy and program
- **Country ownership**
 - Supports DMC's development plan and consistent with medium- and long-term strategic priorities to strengthen country ownership
 - CPS preparation is aligned to national development planning cycle
- **Tailored strategy to fit country development needs**
 - Reflects major country-specific development issues and constraints based on analysis of DMC's development priorities
 - Assesses other development partners' country strategies and ADB's comparative advantage and possible areas for joint activities/partnerships

Results Orientation

- All new CPSs under preparation must now include a results framework as part of efforts to make ADB more
 - Relevant to the DMC's priorities
 - Responsive to DMC's needs
 - Results-oriented to achieve intended outcomes
- The results framework shows how ADB intends to achieve its objectives
- The results framework must be regularly updated to ensure its continued relevance, to identify and guide operations to achieve intended results and to monitor progress.

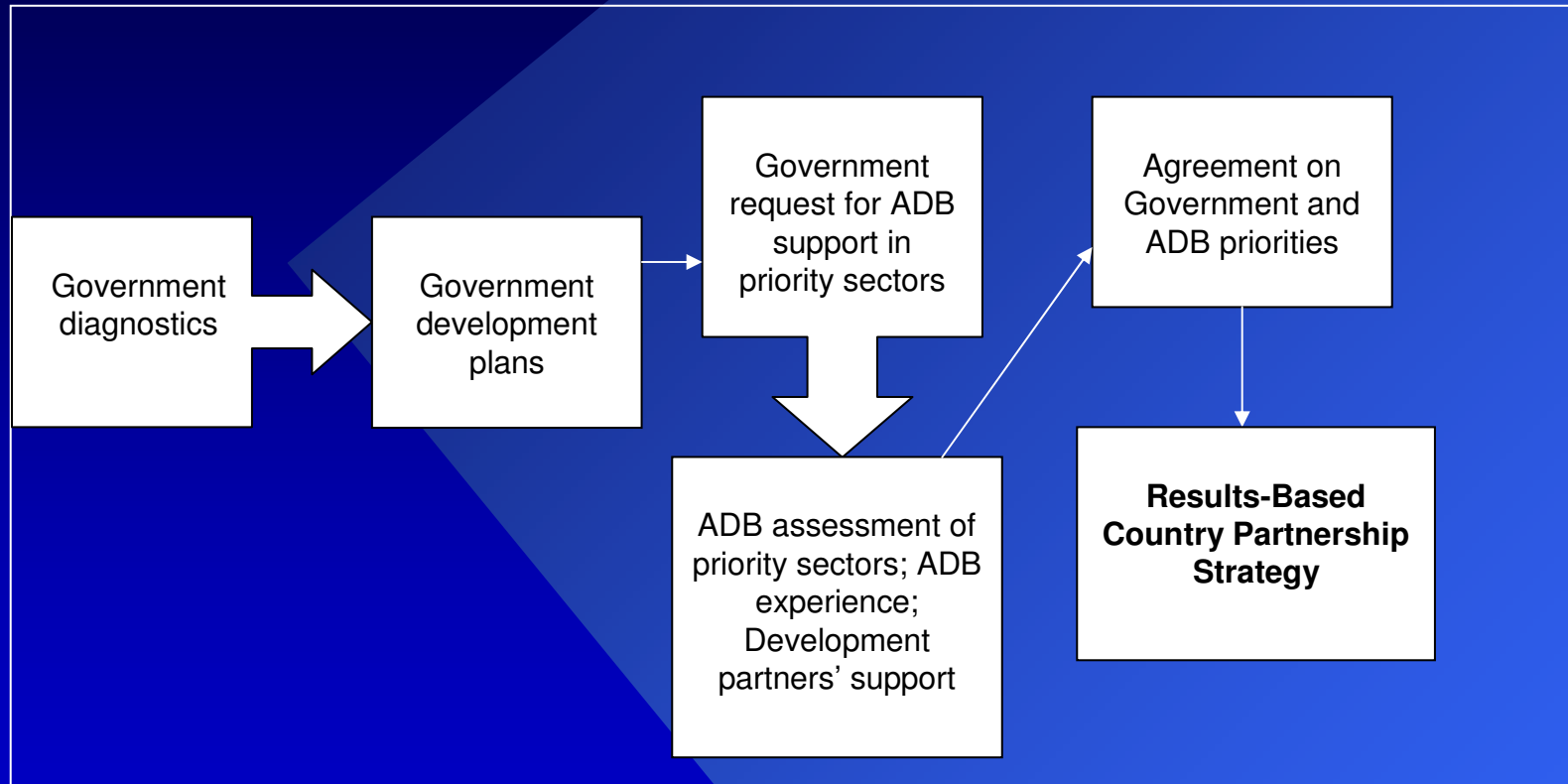
CPS Cycle

- CPS normally covers 5-year period with 3-year rolling program prepared annually
- CPS cycle comprises three stages:
 1. Preparation stage
 2. Implementation and Monitoring stage
 3. Completion stage

CPS Cycle (cont.)

Year	Process
0-1	Preparation of CPS
3	CPS mid-term review
5	CPS completion report

Key Steps in Preparation



Implementation and Monitoring stage

- Country Operations Business Plan (COBP, 3-year rolling program) sets implementation strategy and is updated annually
- Results framework used to track progress in implementation
- Mid-term review to check relevance of strategic direction and progress towards achieving CPS outcomes
- Findings are used to update and adjust COBP and results framework, as necessary

Completion stage

- Completion report prepared in year 5
- Implementation experience and lessons learned to be used for next CPS

Nepal CPS

- ADB's first results-based CPS (October 2004)
- Theme: Development in Conflict
- Strategic Focus: Inclusive Development

Nepal CPS

- Prepared a results framework based on extensive consultation with various stakeholders (e.g. local consultations)
- Internalized the key development risks (the conflict and the political instability)
- Prepared implementing strategy (conflict assessment, participatory processes, mainstreaming inclusion, transparency and accountability)
- Focus on fewer sectors to secure results
- Project design simple and realistic

Nepal: Key Results

Indicators	2004	2005	2006	2007	ADB-wide
Contract Awards Ratio	7.0	15.2	22.1	24.5	29.3
Disbursement Ratio	4.4	7.7	20.0	20.0	23.4
Net Resource Transfer (\$ m)	20.3	44.9	62.5	43.9	1967.0
Project at Risk (%)	26.0	30.4	17.4	14.0	10.0
Average Time: Approval to Effectiveness	9.0	10.3	11.3	11.6	8.4

Bangladesh CPS

- A joint-CPS prepared by four development partners: ADB, DFID, Japan and the World Bank in October 2005
- Includes a joint-results framework to enhance
 - Selectivity: based on comparative advantage
 - Relevance: based on discussions and alignment with Government
 - Responsiveness

Bangladesh: Key Results

Indicators	2004	2005	2006	2007	ADB-wide
Contract Awards Ratio	13.0	21.3	23.4	21.7	29.3
Disbursement Ratio	10.6	13.3	16.0	13.3	23.4
Net Resource Transfer (\$ m)	-2.2	68.6	127.6	116.7	1967.0
Project at Risk (%)	11.8	10.5	10.0	2.1	10.0
Average Time: Approval to Effectiveness	7.11	6.46	5.91	5.15	8.4

Example of Joint Results Framework: Education

Government development outcomes	Issues and Challenges	CSP Outcomes	Milestones/Indicators	DP activities
<p>Greater access to quality of services for the poor</p>	<p>Ensure that services reach the poor and improve provision</p>	<p>Access enhanced and quality and relevance of education improved</p>	<ul style="list-style-type: none"> • Quality assurance mechanisms for monitoring student learning • Teachers selected through merit-based transparent process • Incentives for girls to attend and stay in schools continued 	<p><u>ADB</u> Secondary Education Sector Improvement; Teaching Quality Improvement; Skills Development; Primary Education Sector Development Program</p> <p><u>DFID</u> Primary Education Sector Development Program; Support for Non-formal Education</p> <p><u>Japan</u> Strengthening Primary Teacher Training for Science and Maths</p> <p><u>World Bank</u> Education Development Support Credit; Operationalizing MDGs</p>

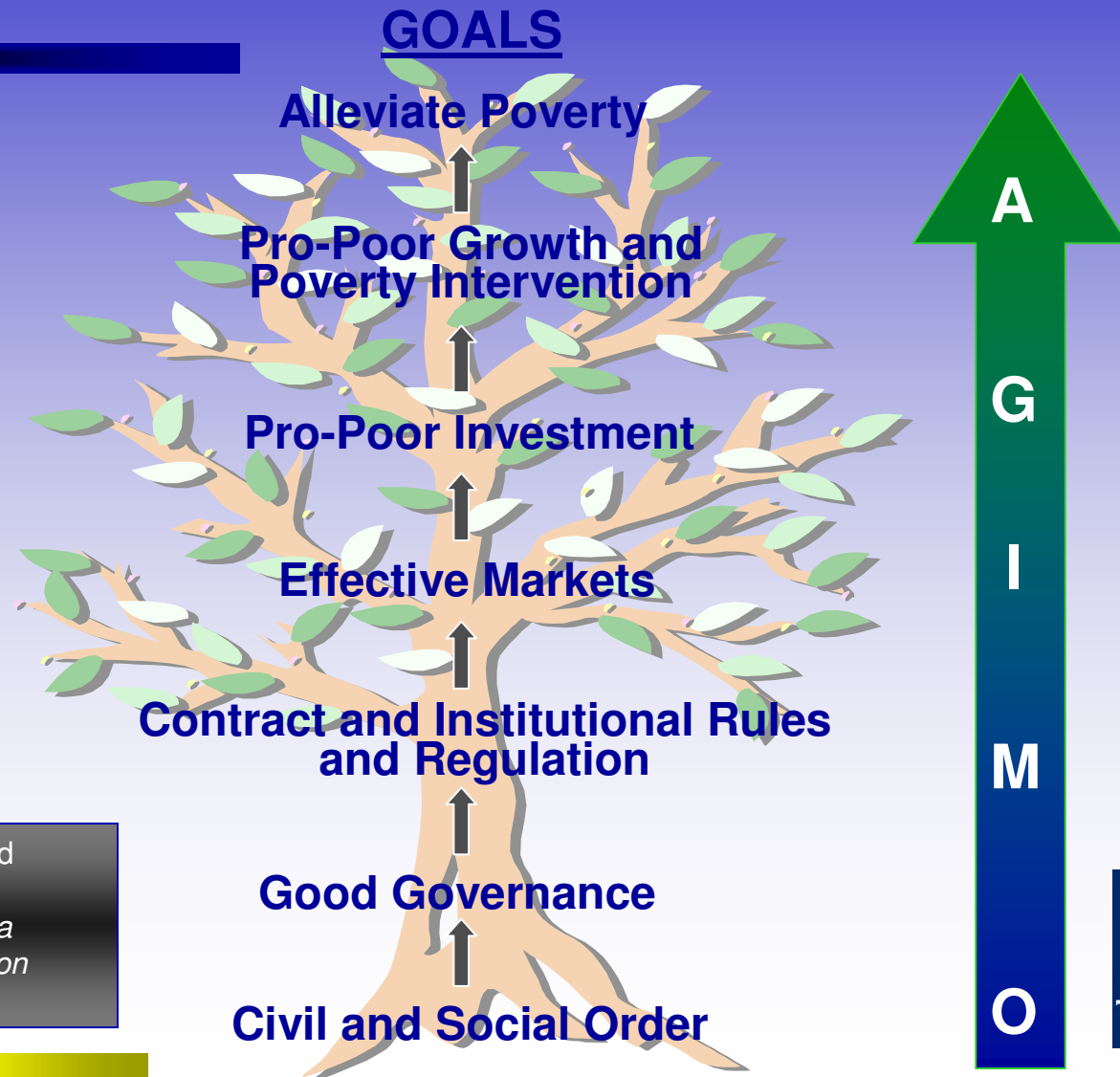
Lessons Learned

Based on ADB's experience, a few suggestions for DMCs in preparing CPSs:

- **Importance of stakeholder consultations**
 - Participatory consultations at the local level to find out what results beneficiaries and stakeholders want to see on the ground and get ideas of what solutions they have
- **Joint preparation of CPS**
 - Time-consuming but worthwhile to pursue
 - Allows for strengthened alignment and selectivity
- **Results framework**
 - To ensure inputs are managed in an effective manner and that intended outcomes are achieved
- **Country ownership**
 - Government should “own” the process so that CPS does not end up a donor-prescribed document

Weakly Performing Countries

Conceptual Framework



Source: Duncan & Pollard (2002), *A Framework for Establishing Priorities in a Country Poverty Reduction Strategy*, Manila: ADB.

Development Architecture

STATE

INVESTMENT

Teaching, Nursing

Education, Health

Land, Labor, Collateral

Technology

Organization & Management

Scarce Capital

What markets?

Which sector?

Core government functions

Sector Road maps

Productivity

Production

DMCs

CPS in Fragile States

Stronger focus on basic “building blocks” of the state, particularly good governance and PFM

- Eg TIM Indicators around increase in capital budget execution; capacity development road maps; TUV sector plans and expenditure on social services

Less reliance on government’s own indicators, due to lack of baseline data and monitoring capacity

- Eg PNG use of improvement in PEFA indicators

Regular monitoring and review – COBP & CPRM

Tuvalu Country Partnership Strategy 2008-2012

Country Development Goals		Country Partnership Strategy (CPS) Outcomes		Key Areas of ADB's Intervention	Risks
Country Level Outcomes	Key Constraints	CPS Outcomes	Outcome Indicators		
<p>Good Governance</p> <p>Macroeconomic growth and stability</p> <p>Employment and private sector development</p> <p>Human resource development</p>	<p>Consequences for bad policy Decisions</p> <p>Lacking budget Credibility</p> <p>Pervasive government ownership of enterprise activities</p> <p>Low domestic resource mobilization to private sector and human development</p>	<p>Improved fiscal planning, management, transparency and public sector efficiency</p> <p>Budget allocations prioritized toward primary education and basic health sectors</p>	<p>Recurrent expenditures not exceeding recurrent revenue plus sustainable TTF distribution.</p> <p>TMB in CIF should not be less than 16% of maintained value of TTF.</p> <p>External total debt not to exceed 60% of GDP</p> <p>Credible sector plans with medium term and recurrent budgeting across all sectors</p> <p>Annual increases in non-salaried expenditure on primary and preventative health care</p> <p>Annual increases in non-salaried expenditure on primary education</p>	<p><u>Future assistance</u> Long-term cluster-TA for improved oversight of PE performance and implementation of MTFF</p> <p>Program assistance for improved fiscal planning and management capacity</p> <p>Program assistance for PE reforms for increased effectiveness and associated capacity development TA</p> <p><u>Ongoing assistance</u> Loan(s) 1921/2088-TUV: Maritime Training Project Associated TA3942-TUV: Maritime Training Institute Strengthening TA4902-TUV: Capacity Building for Taxation Reform TA4466-TUV: Education Sector Reform and Development</p>	<p>Absorptive capacity of EA not sufficient</p> <p>Limited understanding of ADB's terms and guidelines on programs/ policy changes</p> <p>Complacency in Government with large TTF distribution</p> <p>Change management is neither adopted nor accepted by all ministries</p> <p>Accountability across ministries is not enforced</p>

The End

Thank you