

## FOCUS ON DEVELOPMENT POLICY

### KfW Entwicklungsbank Position Paper

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## **The Contribution of Regional Development Cooperation to the Achievement of the Millennium Goals concerning Health**

### **Experience in the field of Financial Cooperation**

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#### **Regional approaches as a model to enhance the impact of development cooperation**

The need to combat major infectious diseases such as HIV/AIDS, malaria and tuberculosis has been given worldwide recognition and has been rightly established as one of the United Nations Millennium Goals. The Federal Republic of Germany is today one of the main bilateral donors in the field of combating HIV/AIDS and tuberculosis. Financial cooperation (FC) work carried out by KfW Entwicklungsbank on behalf of the German government provides support for programmes in Africa, Asia and Latin America that are intended to ensure sustainable HIV/AIDS prevention by involving the private sector in national AIDS programmes. Social marketing programmes relating to HIV/AIDS prevention are being supported in a number of African countries, frequently on a co-financing basis with other international donors such as the World Bank, USAID, Great Britain, Canada and the Netherlands. The social marketing of condoms is considered a key pillar of efforts to combat HIV/AIDS (UNAIDS 2000). Of similar significance are the programmes to combat tuberculosis financed since 1997 in Central Asia and the Caucasus. In these programmes, too, close cooperation has developed with other bilateral and multilateral donors such as WHO, GFATM, USAID and international NGOs.

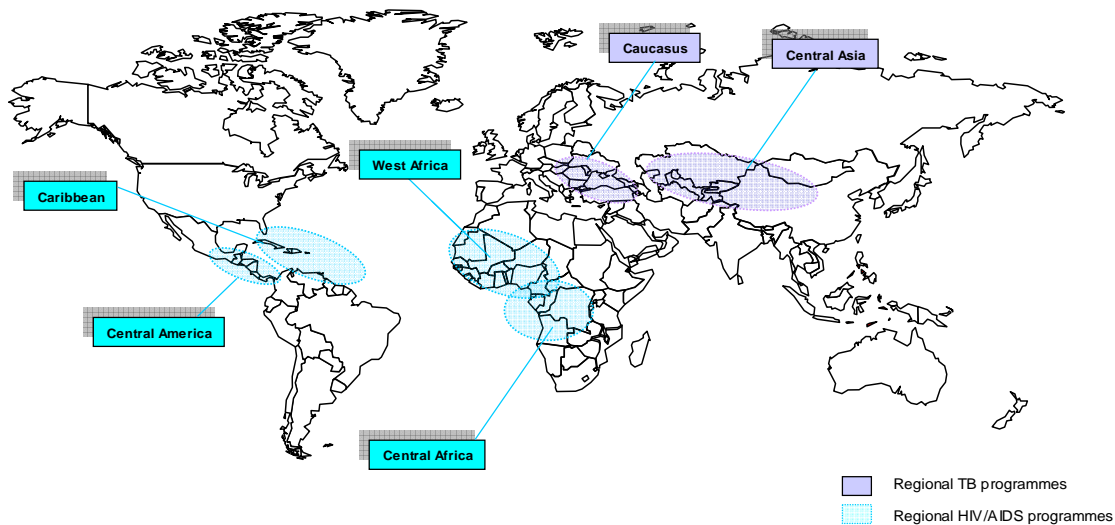
However, it has become repeatedly apparent in these programmes that sections of the population that are most at risk cannot be reached with purely national programmes because they move to and fro across the borders. Mobile population groups – such as migrant workers and lorry drivers in the coastal regions of West and Central Africa and in Central America – generally live under precarious conditions and are at particular risk of contracting sexually transmitted diseases and HIV. Specially tailored preventive measures are therefore required for major transport routes such as the Pan-American Highway or the long-distance routes between inland and coastal countries in Africa.

Furthermore, it has been acknowledged that support that is focused on a particular country also needs to take account of the situation in the neighbouring countries where the ethnic mix is partly similar. This experience has resulted in KfW Entwicklungsbank devising regionally oriented support measures in the field of reproductive health, HIV/AIDS prevention and endeavours to combat tuberculosis since 2002 as a new concept supplementing the classic bilateral approaches. These regional approaches have already produced positive results, which are summarised below.

## Regional FC approaches to combating HIV/AIDS and tuberculosis

KfW Entwicklungsbank began developing regional programme approaches in 2002, starting with the support provided for HIV/AIDS prevention programmes in programmes in the Caribbean and Central America. Regional approaches to combating tuberculosis were adopted simultaneously in the Caucasus.

## Regional FC programmes



In the **Caribbean** a regional programme financed by German FC to prevent HIV/AIDS and to promote family planning was developed in close cooperation with CARICOM (Caribbean Community) and PANCAP (Pan Caribbean Partnership against HIV/AIDS); the programme has since been implemented in Belize, the Dominican Republic, Haiti and Jamaica. Entirely in the spirit of harmonising international development cooperation, other donors such as CIDA (the Canadian International Development Agency), UNAIDS and the Global Fund also participated alongside German FC in the joint activities. This regional programme had a positive impact in a good number of Caribbean countries. A joint antidiscrimination campaign for the Caribbean was developed, for example. The programme set up a database to enable a systematic record to be kept of the condoms sold through state and private channels in all countries and, hence, to make it possible for supply shortages to be pinpointed early. Mutual regional agreement meant that the implementation of behavioural change programmes for young people and risk groups met with particular success in Belize, the Dominican Republic, Haiti and Jamaica.

In **Central America** the regional approach was successful in making the regional development bank CABEL (Central American Bank for Economic Integration) aware of support for HIV/AIDS prevention. The bank then became a highly motivated partner in the regional programme, which has so far been implemented in Guatemala, Honduras and El Salvador. The commitment of CABEL in the field of HIV/AIDS prevention subsequently helped the bank to acquire further funds from multilateral donors.

Programmes to combat tuberculosis in **Central Asia** and in the **Caucasus** used transregional approaches to support the diagnosis and treatment of various forms of tuberculosis (TB) in accordance with the DOTS strategy (directly observed treatment, short course) recommended by the WHO. Simple, cost-effective examinations are used to diagnose contagious tuberculosis patients, who are then treated by means of a standardised combination therapy. This form of support led to an increase in the rate of diagnosis in all countries receiving assistance. A decrease in the rate of new infections has since been observed and there is therefore every probability that the chain of infection can be broken effectively. In all countries supported, the modern, standardised therapy has led to a decline in the mortality rate.

In Africa two regional programmes are now being implemented to combat HIV/AIDS and to promote reproductive health. In **Central Africa**, the Central African Economic and Monetary Union (Communauté Economique et Monétaire de l'Afrique Centrale, CEMAC) is the regional recipient of the funds and is represented by the public health organisation OCEAC (Organisation de Coordination pour la lutte contre les Endémies en Afrique Centrale). This programme was first implemented in Cameroon, Chad and the Central African Republic. In **West Africa** a regional programme carried out in conjunction with the West African Health Organisation (WAHO) – the professional organisation of the 15 member states in the Economic Community of West African States (ECOWAS) – is in preparation. The intention is to set up a regional fund to finance specific cross-border reproductive health measures. WAHO had previously already launched an initiative involving several donors to coordinate the acquisition of contraceptives.

A further extension of the regional programmes is the current development, as part of **South-South cooperation** effort, of a **trilateral regional HIV/AIDS prevention and treatment programme** together with the Brazilian Ministry of Health and the CICT (Centro Internacional de Cooperação Técnica – International Centre for Technical Cooperation). The Brazilians are contributing their extensive experience of HIV/AIDS prevention and treatment, while KfW Entwicklungsbank is providing financial resources to support investment measures in partner countries in South and Central America.

### Implementation experience

The experience of implementing the first regional approaches revealed far greater positive effects than was initially expected. KfW Entwicklungsbank therefore decided after a short time to extend the approach to other regions. So far the following advantages, *inter alia*, have been observed:

- **Harmonisation platform.** By harmonising programme implementation and monitoring, regional programmes leads to improvements in programme implementation and the impact of measures to combat HIV/AIDS and tuberculosis. In all regional programmes supported by FC, the monitoring mechanisms, communication policies and procurement have been harmonised in participative discussion processes with the national and regional organisations concerned. The representatives of the regional implementing organisations, the main national governmental and non-governmental partners as well as international donor organisations have generally agreed to pursue a common implementation and monitoring concept. The participation of all partners in this decision-making process increases the acceptance of the agreements reached. Harmonisation of the monitoring mechanisms also leads to an improvement in the monitoring processes, and the use of harmonised systems leads to a reduction in the partner governments' requirements.

Under a cooperation agreement, KfW Entwicklungsbank and UNAIDS are working closely together in accordance with Paris Declaration in the regional fight against HIV/AIDS in Central America, the Caribbean and Africa. As far as TB programmes are concerned,

annual regional conferences are being held in the Caucasus and Central Asia with the programme executing agencies and are attended by the main bilateral and multilateral development partners with a view to coordinating programmes.

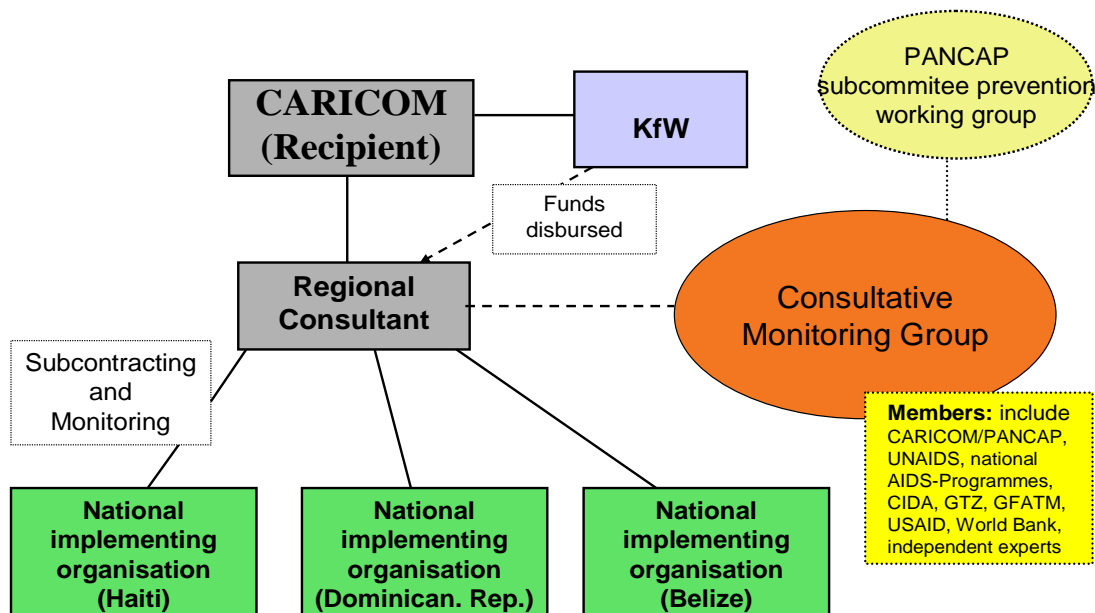
- **Mobilising additional financial contributions.** In many cases the discussion processes described above led to further partners being gained for participation in financing the regional programmes. For example, CIDA participated in financing the regional consultant in the Caribbean, while GFATM co-financed the regional programme in the Caucasus. In all regional programmes close coordination also takes place with regard to existing programme financing by other donors.
- **Deepening regional integration.** The regional institutions involved in the regional programmes were able to extend their range of tasks and gain greater acceptance. For example, the Caribbean members identified more closely with the regional institution CARICOM as a result of the population in the member countries being able to see that this organisation deals not only with economic issues but is also involved in implementing solutions for the regionally significant HIV/AIDS epidemic.
- **Strengthening the programme impact.** The impact of the regional programmes to combat HIV/AIDS and tuberculosis can be greatly improved because the programmes no longer need to be restricted to target groups within national borders but can cross the borders with these target groups. Lorry drivers and bus drivers can obtain the same products and see the same advertisements on HIV/AIDS prevention in the neighbouring countries, too. Nationally differentiated programmes can only reach small tribal groups in different countries at great expense. By contrast, the regional approach allows considerably more efficient coverage, e.g. for the Garifunas living on the Caribbean coast of Central America. Success in breaking the chain of infection has positive effects not merely in that country but in the entire region.
- **Increasing programme efficiency.** Regional programmes allow advantage to be taken of scale effects because the considerably greater requirements of regional programmes as compared with national programmes make it possible to save costs when procuring contraceptives or when developing awareness and advertising campaigns. To an extent, the same advertisements can be used for various countries in Central Africa. The same brand of contraceptives can be used throughout Central America and in the Spanish speaking countries of the Caribbean, which means that larger volumes are purchased and hence savings achieved. Standardising the approaches used to diagnose and treat tuberculosis has led to the identification of less expensive programmes.
- **Improving programme implementation by taking account of best practices.** One of the main advantages of regional programmes is that they make it possible to draw on experience and suggestions from a large number different regional and national partners (exchange of **lessons learned**) and on possible positive contributions made by creating a platform for regular exchanges on programme implementation. It is precisely for this reason is that, for example, it was decided to give other Latin American partners the benefit of important experience gained by Brazil in HIV/AIDS prevention and treatment as part of a regional programme. However, in this programme Brazil will consequently also be able to benefit from interesting contributions by other Latin American countries. One of the key contributions of regional programmes to combat tuberculosis in the Caucasus and in Central Asia stems from the creation of a regular exchange of experience on promising diagnosis and treatment strategies.
- **Closing epidemiological gaps.** Regional programmes make it possible to reach target groups at risk of infection in countries which would otherwise be excluded from support.

The infection rate in those countries as well as in the neighbouring countries can thus be reduced. For example, financial cooperation can continue to support prevention measures in the Central African Republic through the regional HIV/AIDS programme, although German FC support to the national programme is coming to an end. Population groups at risk in countries such as Gabon and Equatorial Guinea, where there is no bilateral financial cooperation, are scheduled for support through the regional HIV/AIDS programme. The large group of Haitians, many of whom are working illegally in the Dominican Republic, can also be reached with culturally adjusted messages developed in the regional programme.

### Implementation structures

The diagram below takes a concrete example from the Caribbean to show the implementation structure of a regional programme. At first glance it appears complicated as the programme needs to be firmly established at the regional and the national levels.

#### Implementation Structure – regional programme in the Caribbean



The diagram shows the various elements of the implementation structure:

- The regional recipients of the financial resources is the **regional organisation CARICOM**, whose key role in economic spheres was reinforced through the programme, covering the social sphere, too.

- The financier of the regional programme is, *inter alia*, **German Financial Cooperation**, represented by KfW Entwicklungsbank. Other development partners such as the Canadian CIDA have already decided to participate in financing this programme.
- To provide support for CARICOM in implementing such a complex programme, a **regional consultant**, selected through an international tender procedure, was given the task of supporting both the regional and the national programmes. This includes, in particular, carrying out the tender procedure for the national programmes, subcontracting the national implementing organisations, monitoring all activities and presenting regular reports to CARICOM, the financiers and the Consultative Monitoring Group.
- The activities carried out in a regional programme are proposed by the regional consultant in annual work schedules. These work schedules have to be approved by the **Consultative Monitoring Group**, a body comprising representatives of CARICOM, the national AIDS programmes, the main international donors active in the region and a number of experts. The Consultative Monitoring Group monitors the work of the regional consultant and works with him/her to develop proposals for improving the regional and national activities. It is closely linked to the important regional organisation PANCAP and usually holds joint meetings with it.
- **The national implementing organisations** are selected by the regional consultant in a tender procedure. The national implementing organisations in the countries supported to date – Belize, the Dominican Republic, Haiti and Jamaica – receive their funding via the regional consultant, who regularly monitors all activities and develops possible ways of improving programme implementation. The consultant can use a database to record experience gained in implementing programmes in the different countries and make the best implementation elements available to all partners.

Experience to date has shown that the time and effort involved in developing this new approach has been worthwhile. Regional programmes are an important instrument for the practical implementation of the principles of the Paris Agenda (harmonisation, and alignment and aid effectiveness) and ought to play a greater role in development cooperation in the future. Financial Corporation thus provides important encouragement to adopt this new programme approach, which is intended to be suitable for use in other regions and other topic areas as well as in cooperation with other programme executing agencies.

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