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A healthy partnership

– a case study of the MOH contract to KHANA for disbursement of World Bank funds for HIV/AIDS in Cambodia

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Abbreviations and Acronyms

Alliance	The International HIV/AIDS Alliance
CBO	Community-based Organisation
CSO	Civil Society Organisation
GFATM	Global Fund for Aids, Tuberculosis and Malaria
Khana	Khmer HIV/AIDS NGO Alliance
MAP	Multi-country HIV/AIDS Program
MoEF	Ministry of Economics and Finance
MoH	Ministry of Health
NCHADS	National Center for HIV/AIDS, Dermatology and STDs
NGO	Non Governmental Organization
OD	Operational District
PCU	Project Coordination Unit
PHD	Provincial Health Department
PLHA	People Living with HIV/AIDS
TS	Technical Support
TOR	Terms of Reference
WB	World Bank

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1. Executive Summary

In 1998, the Cambodian Ministry of Health was experiencing difficulties in disbursing World Bank funds earmarked for local NGOs/CBOs, and in 1999, contracted Khana to manage the disbursement process. Given the scarcity of documented successful government-NGO/CBO disbursement initiatives, the Alliance commissioned a case study of this mechanism of making World Bank funds more accessible to civil society organisations.

This report of the case study outlines the background and context to adopting the disbursement mechanism, explains the selection of the disbursing agency and the process of contract negotiation, details the nature and quantity of the disbursement, and identifies the strengths, weaknesses and lessons learned from this model.

The **major strengths** associated with this model are that it:

- improved the efficiency of implementation of the project, by contracting out the management of the grants to a knowledgeable and competent national NGO;
- identified the need for technical support[1] at the outset, and made provision for this in the contract;
- helped to build the capacity of a number of indigenous NGOs;
- helped to strengthen Khana's capacity to manage and provide technical support to a growing network of indigenous NGOs;
- improved understanding and cooperation between the MoH and Khana, and by association, the local NGOs supported under the grants initiative;
- contributed to the growing recognition within NCHADS that its primary role, at the headquarters level, is in programme management rather than programme implementation;
- helped to leverage further World Bank funds for Khana's programmes;
- has been cited by the World Bank as an example of best practice.

However, the case study revealed some **weaknesses** of the approach:

- local NGO partners had minimal links to provincial activities;
- there was little formal coordination with NCHADS[2];
- the contract had no requirement for evaluation;
- while the initiative demanded significant technical support from the Alliance, no budget provision was made for the Alliance TS
- the Alliance was obliged to provide additional financial support, so that Khana could provide a comprehensive package of technical support to the NGO sub-grantees.

The case study identified a number of **lessons learned**:

- ***Clarify whether the contract is input/process-based or output-based***.

  A fundamental principle of contracting is that the client cannot specify both the inputs/process and the outputs.

- ***Specify a limited set of clear targets and indicators in the contract***

  This facilitates monitoring, improved project implementation and provides a basis for subsequent evaluation.

[1] Technical Support is defined here as the process of strengthening in-country capacity to respond effectively to HIV/AIDS

[2] NCHADS - the National Centre for HIV/AIDS, Dermatology and STDs is the technical unit of the MoH with special responsibility for HIV/AIDS programmes

- ***Identify where external TS is needed, and include this in the budget***

Technical support costs in Cambodia are typically between 20-30% of the total budget, depending on whether the TS is provided locally or externally.

- ***Flexibility is important***

In making contractual decisions about procurement procedures, there is a need to balance the strict application of regulations, against the inefficiency of applying them to the letter.

- ***Keep the government involved and informed***

Regular dissemination and review meetings are needed to keep the MoH involved and informed about project progress, and maintain a healthy partnership.

2. Need and Purpose of the Case-Study

There is increased HIV/AIDS funding now available nationally for civil society organizations (CSOs), including local NGOs and community based organizations (CBOs) through the World Bank and GFATM. The World Bank HIV grants and loans in particular are managed by national ministries of health and finance through a Programme Co-ordination Unit (PCU). However, there are few documented and evaluated examples of successful models in the World Bank HIV programme of disbursement to civil society organizations. Government-CSO partnerships are not easily facilitated, since governments may not be able to forge the necessary relationships to disburse funds to groups from diverse populations who are significant to epidemic dynamics. Furthermore, governments may not have the administrative capacity to manage the disbursement of small amounts of funds to a wide range of CSOs with differing organisational capacities.

In 1998, the Cambodian Ministry of Health was experiencing difficulties in disbursing World Bank funds earmarked for local NGOs/CBOs. The World Bank suggested that the MoH identify an intermediary who could be subcontracted by the MoH to disburse the funds. In 1999 the MoH negotiated such a contract with Khana[3] - a national NGO whose mission is to identify and support Cambodian NGOs/CBOs in HIV/AIDS prevention and care activities. In addition, a smaller contract for the provision of technical support was agreed, so that Khana could assist the NGO/CBO sub-grantees to effectively implement the projects funded through this initiative.

Given the scarcity of documented successful government-NGO/CBO disbursement initiatives, the Alliance commissioned a case study of this mechanism of making World Bank funds more accessible to civil society organisations. In the context of growing global interest in public-private health partnerships, it is anticipated that this case study will be used to influence policy makers globally by the Alliance secretariat, and nationally by other Linking Organisations and intermediary/NGO support organisations.

The case study was carried out in September 2004 by an independent consultant, based in Cambodia. In-depth interviews were conducted with key informants from the Ministry of Health, World Bank, Alliance, Khana, and local NGOs/CBOs that were recipients of funding through Khana.

The case study:

- Outlines the background and context to adopting the disbursement mechanism
- Explains the selection of the disbursing agency, and the process of contract negotiation
- Details the nature and quantity of the disbursement
- Identifies the strengths, weaknesses and lessons learned from this model

3. Background and Context to Adopting the Disbursement Mechanism

In 1997 the World Bank agreed a loan to the Government of Cambodia for an HIV/AIDS project. A sub-component of the project design involved the disbursement by the Ministry of Health (MoH) of $700,000 through small grants to local NGOs/CBOs for HIV/AIDS prevention and care

[3] Khana – the Khmer HIV/AIDS NGO Alliance, is a national NGO that serves as a linking organization of the International HIV/AIDS Alliance

activities. This component represented a substantial part of the project, and the WB believed that, if successful, it could be a model for government/NGO collaboration in HIV/AIDS programming, using WB funds.

In the initial attempts by the MoH project team to implement this component, it became clear that the management of NGO small grants would place a significant strain on the technical resources of NCHADS[4] and the administrative resources of the Project Coordination Unit (PCU). Through discussions internally and with stakeholders, the MoH project team had identified a set of tasks that would be necessary to successfully implement this component. These included:- identifying potential local NGOs/CBOs, assessing the capability of a number of these local NGOs, assessing the viability and potential of NGO proposals, selecting appropriate proposals, managing a number of small disbursements, monitoring and evaluating NGO performance, and reconciling a number of programme and financial reporting formats. The MoH team acknowledged that they had neither the time nor the technical resources to perform these tasks effectively[5].

At the suggestion of the HIV/AIDS Advisor to the WB project, the MoH project team approached Khana (the Khmer HIV/AIDS NGO Alliance), a national NGO that serves as a linking organization of the International HIV/AIDS Alliance. Khana was selected because its mission was to identify and support Cambodian NGOs/CBOs in HIV/AIDS prevention and care activities, and it was already administering grants worth around $200,000 to 18 local NGOs in 11 provinces in Cambodia. Khana was therefore perceived to be well-placed to partner with the MoH in implementing the WB NGO initiative. The International HIV/AIDS Alliance was providing substantial technical and financial support to Khana, and it agreed to guarantee the capacity of Khana to manage the additional grants under the WB initiative, using its own technical support and its own sources of funding. This guarantee by the Alliance was an important factor in the decision to award the contract to Khana.

Although other potential NGO partners were discussed by the MoH, there was strong agreement among the key decision-makers at MoH that Khana (with the technical support of the Alliance) was best placed to manage the disbursement of the funds.

3.1 The status of civil society in Cambodia

An issue of concern to Khana was the degree to which a contract with the government would compromise its ability (and that of its civil society partners), if necessary, to challenge government. In order to provide context to this case study, this section briefly reviews the status of civil society in Cambodia.

Cambodia's recent history of violent civil and political conflict was accompanied by severe neglect of health, education, religion, culture, ethics and the law. Although the Khmer Rouge regime was overthrown in 1979, the first democratic elections, under a UN administration, did not take place until 1993. Subsequent elections have seen the country return to relative stability, although the most recent election in July 2003 did not result in the formation of a new government until 12 months later.

While freedom of expression and association are included in the Constitution, the executive, legislative and judiciary systems are still vulnerable to financial and political pressure, and law enforcement is consequently weak. Ordinary citizens have little recourse to the judiciary, and the

[4] The National Centre for HIV/AIDS, Dermatology and STDs (NCHADS) is the technical unit of the MoH with special responsibility for HIV/AIDS programmes.
[5] Godwin P, 2003

rights guaranteed by the Constitution are neutralized by the fear created by powerful figures[6].

Civil society in Cambodia can be described as both nascent and fragile, and identifying legitimate representatives of civil society who are willing to articulate its concerns remains a challenge. While there is growing awareness of civil rights and governance, and a significant number of NGOs and community organizations working in those areas, these are still largely donor-driven or supported by international organizations.

Civil society is generally understood to mean all organizations, associations and interactions that exist outside of government. The main manifestation of civil society in Cambodia has been non-governmental organizations (NGOs).

The relationship between health-focused NGOs and the MoH has evolved in a positive direction throughout the last decade, and it would be fair to say that NGOs working in the health sector generally enjoy stronger relations with the government, compared with other sectors. However, in 1998, there was still a degree of suspicion and lack of trust between the MoH and NGOs, which inhibited the formation of meaningful partnerships.

4. Contract Negotiation

In September 1998 the Ministry of Health began the process of negotiating a contract with Khana. In theory, the proposed contract appeared straightforward, and consisted of 4 key elements:

- Khana, in collaboration with, and 'under the overall direction'[7] of the Ministry of Health, would manage the NGO Grants Sub-component, under a contract with the Ministry of Health.
- The entire funding for the NGO Grants Sub-component would be made available to Khana, who would take a 5% management charge and a 10% technical support charge, and use the remainder for grants to local NGOs.
- The International HIV/AIDS Alliance would guarantee the capacity of Khana to manage these funds effectively, if necessary with its own technical support funded from its own sources.
- Disbursement from the PCU of the Ministry of Health would be directly to Khana on a periodic basis. Khana would manage and account for the funds, with periodic technical, management and financial reports.

The key stakeholders were in agreement that the benefits from this arrangement could be substantial: the MOH would be relieved of a technical and administrative burden, while retaining managerial oversight; the World Bank would be assured that funds for this sub-component would be appropriately disbursed; and Khana would receive additional funds to expand its existing programme of work of resourcing and building the capacity of more local NGOs to respond to the HIV epidemic.

Although the arrangement appeared to be clear-cut and mutually beneficial, the process of contract negotiation between Khana and the MoH was protracted and difficult, lasting almost a year. The contract underwent several revisions, each of which had to be reviewed by the World

[6] Mansfield & MacLeod, 2002
[7] While this phrase appeared in the final contract between Khana and the MoH, its meaning was not specified.

Bank. The difficulties lay in the fact that there were a number of concerns that needed to be addressed and tensions that needed to be balanced. These are explored below.

4.1 Spheres of control

The major concerns of Khana (and the Alliance) were in retaining autonomy in the selection of local NGOs and their programmes of work, and ensuring adequate flow of funds to resource these programmes. Khana felt that autonomy was important in order to preserve the confidence of their civil society sub-grantees. In particular, Khana was concerned that the contract should not compromise the ability of civil society (including Khana itself) to challenge government if necessary.

The major concern of the Ministry of Health was accountability, to the World Bank, to the Ministry of Economics and Finance, and to its clients – largely people living with HIV/AIDS, but also Cambodian taxpayers, for money it had borrowed from the World Bank. The PCU was concerned that the funds should be properly dispersed and accounted for, and that procurement should follow MoH (and possibly World Bank) guidelines. The technical unit, NCHADS, argued for greater involvement in the selection of NGOs and their programmes of work, and in monitoring these[8].

Ultimately, an agreement was reached, whereby Khana would retain autonomy over NGO management, following a work programme agreed between KHANA and NCHADS, which included the proviso that grantees' proposals must be in accordance with provincial workplans. Khana and NCHADS together agreed a set of criteria for NGO grantee selection that specified that these should be "identified and selected in a fair and impartial manner, avoiding conflict of interest, basing decisions on criteria outlined in workplans for each period of implementation"[9].

The MoH's concerns about financial accountability were allayed through a set of agreements that specified limitations and ceilings on budget categories for grant proposals. Furthermore, continued disbursement of funds from the MoH was contingent upon the receipt of satisfactory financial and implementation reports from Khana.

4.2 World Bank regulations

The other major set of tensions was related to whether the proposed arrangement would fulfill the requirements and conditions laid down by the World Bank, yet would be flexible enough to facilitate implementation by Khana and its NGO sub-grantees. While the World Bank Procurement Advisor was satisfied with the disbursement, procurement and reporting procedures, there are indications that the World Bank was highly accommodating in its interpretation of the conditions of contract, largely because of willingness on the part of everyone to ensure timely and successful implementation of the contracts. In drawing the balance between the strict application of rules, against the inefficiency of applying them to the letter, it is apparent that the World Bank saw the benefits of erring on the side of flexibility, particularly over minor procurement issues.

[8] Godwin P, 2003
[9] Item 1.1 of the TORs in the contract between Khana and the MoH.

5. The Contracts

In August 1999, two simple, lump-sum contracts were signed between Khana and the PCU of the Ministry of Health. These contracts were the first for Khana that were not routed through the Alliance. The first contract (representing 85% of the total amount available within the NGO sub-component), was a 3-year NGO Grants Agreement, which contracted Khana to:

- Select projects for grants based on agreed criteria established by Khana in consultation with the NGO Advisory Committee.
- Draw up grant agreements, including detailed proposals, workplans and budgets, for approval by the Khana Board in consultation with the NGO Advisory Committee
- Disburse and account for grants to local NGO sub-grantees on a quarterly basis.

Continued disbursement from the MoH was contingent on Khana providing the PCU with adequate documentation in support of the processes described above, together with subsequent financial and programme reports for each of the NGO sub-grantees.

The second contract (representing 15% of the total amount available within the NGO sub-component), was a 3-year technical support (TS) agreement, contracting Khana to:

- Provide financial management support and monitor expenditures of NGO sub-grantees
- Provide TS to NGO sub-grantees to conduct local HIV/AIDS/STD assessments
- Provide TS to NGO sub-grantees to design appropriate and responsive HIV/AIDS/STD interventions
- Assist NGO sub-grantees to prepare proposals, workplans and budgets
- Provide on-going TS for project implementation to NGO sub-grantees through workshops and field visits
- Monitor programme activities through field visits and review of reports

Local NGO/CBO management and implementation capacity at the time was, (and to a certain extent, still is) weak, and Khana had identified the need to provide TS in these areas.

Khana committed to manage and account for the funds with financial and programme reports, in formats based on those used by Khana in reporting to the Alliance. Continued disbursement from MoH was contingent on receipt by the PCU of summary financial and technical reports of Khana's TS under the contract, together with copies of Khana's external audit reports.

Because of the innovative nature of these contracts, there had been some fears that getting permission from Ministry of Economic and Finance (MoEF) might prove difficult, but in the event, MoEF readily signed the agreement.

6. Nature and Quantity of the Disbursement

The payment from MoH to Khana for the Technical Support contract was for a total amount of US$87,023, paid as follows: US$19,338 on receipt of signed contract by MoH, followed by 5 tranches of US$ 13,537 paid at approximately 6-monthly intervals on receipt of satisfactory reports. In total, Khana spent US$94,616 on technical support and management. Khana requested, and received, permission from the MoH to use a small portion of the NGO grants to

cover the shortfall. The Technical Support contract represented approximately 15% of the total amount available under the NGO component sub-project. However, as outlined in Section 7, below, the actual cost of technical support provided to Khana grantees was significantly higher than this, with the difference being made up from Alliance funds.

The NGO Grants contract was for a total amount of US$550,000, paid as follows: US$75,000 on receipt of signed contract by MoH, followed by US$75,000 approximately 4 months later, two tranches of US$ 97,000 and two of US$103,000 each paid at approximately 6-monthly intervals on receipt of satisfactory documentation and reports.

By the end of the contract, in June 2002, Khana had disbursed grants totaling US$541,328 through 68 grants to 39 local NGO partners, working across 13 provinces and 2 municipalities, for a range of prevention, care and support, and home-based care activities targeted at youth, PLHA, women, orphans, military, police, sex-workers and local communities. The largest proportion (33%) of the grants, representing 46% of the spending, was for home-based care or care & support activities for families with PLHA[10]. Much of this was to support local NGO partners in the post-pilot expansion of home-based care in Phnom Penh and in rural Battambang province[11]. The number of Khana's local NGO partners increased from 15 in 1999 to over 40 in 2002.

7. Strengths and Weaknesses of the Model

There are a number of ***strengths*** associated with the disbursement model outlined above:

Accessing technical expertise and capacity not available in the MoH by contracting out the management of the grants to a knowledgeable and competent national NGO clearly improved the ***efficiency of implementation*** of this component of the project.

Shifting the managerial and administrative costs of implementation out of NCHADS allowed it to focus on policy and strategic issues. ***This approach then became the model for the major thrust of the revised strategy for the whole project*** and contributed to the growing recognition within NCHADS that its primary role, at the headquarters level, is in programme management rather than programme implementation[12].

This approach ***helped improve the capacity of a significant number of indigenous NGOs*** to identify and implement HIV/AIDS interventions at local levels. The interventions were particularly successful in initiating management and care of AIDS patients and in refining and extending a home-based care model for people living with HIV/AIDS. The contracts also helped to ***strengthen Khana's capacity to manage and provide technical support to a growing network of indigenous NGOs***.

The approach was also successful in fostering ***improved understanding and cooperation between the MoH and Khana, and by association, the local NGOs*** supported under the grants

[10] OED, World Bank, 2004
[11] Wilkinson D et al. 2000

[12] C V Mean et al. 2000

initiative. One of these NGOs, “WOMEN” was subsequently contracted by the Prey Veng Provincial Health Department to initiate outreach, home-based care, and prevention activities. Key informants at Khana hold that the success of the initiative was instrumental in raising the profile of Khana within the MoH, and in particular with NCHADS. One unintended outcome was that ***Khana was subsequently identified by the MoH as a key partner*** in developing proposals for, (and successfully securing), GFATM funds.

The success of the model also helped to ***leverage further World Bank funds***, provided through the Japanese Social Development Fund (JSDF), of approximately US$412,000, which were made directly available to Khana from May 2001-2003.

The World Bank Representative at the time in Cambodia emphasized that he is extremely supportive of the model, describing it as ***an example of best practice***, and indicated that it is an arrangement that he has tried to replicate in other countries, including Niger. Furthermore, the World Bank’s Implementation Completion Report of the project[13] notes that “the efficiency of the use of a Grant system to fund activities that are better contracted out to knowledgeable and competent stakeholders, which are more adapted to manage this kind of activities, was clearly demonstrated with KHANA on managing small NGO activities in home based care for AIDS patients countrywide”.

However, a number of ***weaknesses*** in the arrangement have been identified:

While the NGO activities supported by Khana built local implementation capacity, apart from the home-based care component, the local NGO partners had ***minimal links to provincial activities***. However, it was apparent that, at that time, provincial health authorities generally did not have the capacity to make the best use of public-private partnerships.

The initiative demanded ***significant technical support from the Alliance*** to enable Khana to scale up its programmes of work and to expand its administrative and reporting systems. Indeed, the provision of this TS was one of the criteria highlighted by the MoH in selecting Khana as the grant-managing agency, and was one of the conditionalities of the agreement between the MoH and Khana.

Although this was a conditionality of the agreement, ***no budget provision was made for the Alliance TS*** in either of the contracts between Khana and the MoH. While this TS was provided as part of an ongoing arrangement between the Alliance and Khana, it was funded entirely by the Alliance using funds from other donors. Furthermore, ***the Alliance was obliged to provide additional financial support, so that Khana could provide a comprehensive package of technical support to the NGO sub-grantees***, although this had not been previously agreed, even informally. Alliance technical staff estimate that the 15% provided for technical support through the contracts represented only about a third of the actual costs of the workshops and visits the grantees received from Khana staff. The Alliance had to find money from other donors to supplement technical support to the NGO sub-grantees, who otherwise would have been much less well equipped to implement the projects under the World Bank agreement.

The ***contract had no requirement for evaluation***, either of the NGO activities financed by the project through Khana, or of Khana itself. However, a USAID-funded evaluation, conducted in 2000, of the home-based care pilot, revealed that the programme was having a significant impact

[13] World Bank, June 2003

in improving the quality of lives of PLHA and their families, increasing understanding of HIV/AIDS, reducing stigma, and helping to empower some of the poorest and most disadvantaged members of the community[14]. The evaluation also noted that the pilot had significantly strengthened public-private partnerships at central, district and health-centre levels.

The contracts were between Khana and the PCU of the Ministry of Health, and while it was envisaged that NCHADS would provide technical oversight, this was not specified in the contract, nor was any budget provision made for this. Consequently, there was ***little formal coordination with NCHADS***. The unclear role of NCHADS, and the issues around NGO selection and programme implementation, did little to diffuse the tensions around control of processes.

8. Lessons Learned

Clarify whether the contract is input/process-based or output-based

The tension related to spheres of control about process, outlined above and in section 4.1, highlights a fundamental principle of contracting – namely that a contract (or a component of one) should either be input/process-based or output-based, but not both. An output-based contract means that the client specifies the outputs to be achieved, while decisions about inputs and process lie with the contracted agency (within legal and policy limits). A contract that is input/process-based specifies a set of inputs and processes designed to work towards achieving expected outputs, but the contracted agency does not bear the risk should these outputs not be achieved.

Put simply, the principle is that the client cannot specify both the inputs/process and the outputs. In 1998, the Ministry of Health was entirely input/process-based in its operation and thinking, and was therefore uneasy about an NGO having autonomy over inputs and processes. Khana argued strongly (and successfully) to retain control over the inputs and processes, and for an arrangement that was primarily output-based, although ironically, the “outputs” specified in final contract were largely related to reporting and process issues, and were phrased as “obligations”. This leads to the second key lesson learned:

Specify a limited set of clear targets and indicators in the contract

Although the contract as negotiated was primarily output-based, no implementation targets or indicators were specified, and no baseline information was provided. The absence of baseline data and output indicators had major implications for monitoring and evaluation, as noted in limitations section of the USAID-funded evaluation outlined above[15].

Key stakeholders interviewed during this case study agree that the contract would have been significantly improved by the inclusion of a small, but robust set of targets and indicators. Clear targets and indicators facilitate monitoring, improve project implementation and provide a basis for subsequent evaluation.

Contracts need to reflect the prevailing in-country situation (no blueprints)

As outlined earlier, it was apparent that, in 1998, provincial health authorities generally did not have the capacity to establish or exploit public-private partnerships. In the last 3-4 years, largely as a result of health sector reform initiatives, provincial and OD health management capacity has increased significantly. Should the model outlined in this case-study be replicated, in Cambodia

[14] Wilkinson D et al. 2000
[15] Wilkinson D et al. 2000

or elsewhere, there would be a case for greater local government involvement in the process of NGO selection. Provincial and OD planning has also significantly improved, and NGO programmes of work should be developed within the context of agreed local plans. While some PHDs are now able to manage small contracts to local NGOs/CBOs, there are still resource and capacity gaps, and an identified need for technical support.

Identify where external TS is needed, and include this in the budget

A key lesson learned from this case study is the need to identify, at the outset, the levels of external technical support to be provided to the grant-managing organisation, and to ensure that adequate funds are provided in the budget to cover the cost of this. The proportion of the total contract allocated to Khana management and TS was approximately 15%, and this was inadequate to cover TS and management costs. Technical support costs in Cambodia have been estimated to be between 20-30% of the total budget, depending on whether the TS is provided locally or externally. As outlined earlier, no funds were allocated under this agreement for Alliance technical support.

Flexibility is important

Although both the World Bank Representative and the Procurement Advisor at the time expressed complete satisfaction that the arrangement complied fully with the World Bank's regulations, it is apparent that there was a high degree of enthusiasm and commitment on behalf of the Bank's representatives (and indeed the PCU of the MoH) to make the arrangement work. There are indications that, had officialdom and strict interpretation of regulations (particularly over minor procurement issues) prevailed, then the initiative could have stalled at a number of points.

In a paper reflecting on the project arrangements[16], the HIV/AIDS Advisor to the Project at the time, draws attention to the procurement rules specified in the WB/MoH Credit Agreement, and notes that: "…had one of the NGOs broken these rules, it is legally conceivable that the World Bank could have stopped the entire project on the basis of a 'mis-procurement'!"

In making contractual decisions about procurement procedures, there is a need to balance the strict application of rules, against the inefficiency of applying them to the letter. Clearly, flexibility was key to the success of the initiative, and this depended in part on the establishment and maintenance of good personal relationships, and a significant degree of trust, between all the key stakeholders.

Keep the government involved and informed

Khana management and staff made enormous efforts to establish and maintain good personal and working relationships with key players in the Ministry of Health. However, in retrospect, more could have been done to formalize the information-sharing between Khana and the MoH. While Khana submitted financial and progress reports to the PCU (as agreed in the contract), these weren't always forwarded to NCHADS. A series of quarterly review meetings would have kept NCHADS involved and informed about project progress, and may have helped resolve residual issues around spheres of control.

[16] Godwin P, 2003

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