



FINAL MINUTES SEVENTH MEETING OF THE ADVISORY BOARD

Wednesday, April 21, 2010
Brussels, Hanoi and London
[via videoconference]



Organizations/Countries represented:

Board members:

European Commission (EC), Australia (AusAID), United Kingdom (DFID), World Bank

Board Observers:

World Organization for Animal Health (OIE)

Facility Administrator:

World Bank

List of Individual Attendees

Given below in [Annex 4](#)

Opening Remarks by the Co -Chairs

1. Ms. Olga Jonas, Advisory Board Co -Chair and AHI Operational Response Coordinator, World Bank, extended greetings from Hanoi to the participants at the other two sites (Brussels and London) and introduced by name those participating from Hanoi, who, besides members of the World Bank staff, included Mr. Warren Hoye of AusAID, and Dr. Gardner Murray, an observer from the OIE Regional Coordination Unit in Bangkok .
2. At the outset, Ms. Jonas expressed a desire to comment on the European Commission 's presentation of the findings of a study at the just-adjourned International Ministerial Conference on Avian and Pandemic Influenza (IMCAPI) in Hanoi. She stated that there were several serious errors in the EC-funded study, Outcome and Impact Assessment of the Global Response to the Avian Influenza Crisis. She expressed surprise that the Commission chose to present such findings of a draft report to a wide audience without giving the World Bank an opportunity for prior review . She said that, by giving an inaccurate picture, this presentation could easily mislead the audience .
3. Mr. William Hanna, Advisory Board Co -Chair and Head of Unit, Centralized Operations for Asia and Central Asia, EuropeAid Cooperation Office, European Commission, began his opening remarks by expressing regret that the Commission's team was unable to come to Hanoi. He referred to the minutes of the last meeting in Brussels and proposed that the agenda for this meeting would discuss the issues highlighted by the World Bank from the two evaluations that were reported on at that time. These issues include disbursements, visibility and taking a proactive approach to closing non-performing grants. They also include looking at results and how things have progressed since the last meeting.
4. But before going into the main discussion, Mr. Hanna requested Mr. Vandersmissen to address the issues raised by Ms. Jonas in her opening remarks. Mr. Vandersmissen said that the draft was received just a few days before the Conference. Since the EU delegation could not travel to Hanoi, the assumed bilateral meeting prior to the Conference could not be held. It was planned that the report's findings would have been discussed at that meeting before the EC's presentation. The content and conclusions of the report that were shared with the Conference audience on the previous day were those of an independent consultant. He said that the results mentioned in the report, which the Bank finds objectionable, were already smoothed from what was in the initial version of the report .
5. Mr. Vandersmissen further said that comments from every institutional participant that wishes to provide them will be requested. After comments are consolidated, the consultant will be asked to issue a final version. The draft report was placed temporarily on the IMCAPI webpage and will be removed after the deadline for comments, 12 May 2010.
6. Ms. Jonas responded that it is unfortunate that the report has the appearance of reflecting the opinion of the Commission. She conceded that the circumstances were exceptional in that they prevented any possibility of having an exchange between the Commission and the Bank as had been planned prior to the Conference.

Presentation of the Administrator's Progress Report the Status of the Facility

7. Mr. Roberto Tarallo presented a status report [Annex 1](#) on progress made on the five actions agreed by the Board at its meeting in Brussels in October 2009 [Annex 2](#). His report also raised critical issues, which relate to the future of the Facility. Finally, depending on how

the discussion of the report evolves, he also noted the intention to explore what room might exist for a further extension of the completion dates for the EC -financed Facility windows for the East and South Asia regions.

Discussion of the Administrator's Report

8. The key reactions and discussion points made pursuant to the status report are as follows:
- Mr. Hanna thanked Mr. Tarallo for picking up on the five points that were agreed at the previous meeting. He expressed concern at the very slow disbursements for the Facility grants in Bangladesh and Cambodia and requested elaboration from the Administrator at the end of the presentation as to what is being done about those two countries.
 - Mr. Hanna went on to note that, with respect to ratings and results, it is appreciated that printed materials and videos have been prepared to show broader audiences what has been done with the funds provided; he mentioned that the Commission tries to stay in touch with its delegations to verify how well they are being kept informed. Mr. Hanna said that the EC is willing to entertain a well-justified request for extending the completion date of the Facility.
 - Mr. Jordan expressed satisfaction about the progress made since the last report, and was particularly pleased to know that a draft results framework had been produced, and would henceforth be applied biannually. He also said that he was pleased to see that some use is being made of the funds earlier reported as unutilized.
 - Mr. Jordan said that DFID is certainly interested in looking at the question of a successor program to the AHI Facility, having engaged a consultant to do a review of all programs funded since 2005. DFID is in the process of carrying forward the recommendations from this assignment and is considering how best future animal and human influenza programs could be supported.
 - Mr. Hoyer expressed appreciation for Mr. Tarallo's report and mentioned that AusAID expects to complete its strategy on pandemic and infectious diseases in July 2010, and is also in the process of feeding through its funding request through the Australian Government's budget processes, the outcome of which is expected to be announced during May 2010. Mr. Hoyer asked what happens to the funds that remain undisbursed by the end-date of the Facility, which he recognizes is end-2011.
 - Ms. Jonas thanked all three Board members for their responses, and noted that several questions had been raised for Mr. Tarallo's response. She also took note of the encouraging words by Mr. Hanna that the EC is considering prospects for a succession fund to the Facility, and pointed out the importance that any new follow-on arrangement that might be fashioned should be global, like the nature of influenza itself, rather than being restricted to the kinds of geographical limits that currently apply to Facility resources, which have hampered the Facility's global effectiveness and left certain regions, such as Africa, underfunded.
 - Mr. Tarallo observed that the problems with Bangladesh and Cambodia appear to have been slowness of recipient governments in hiring contractors, which has been largely resolved and is expected not to be an important factor going forward. He also said that the results framework report would be distributed with the next Quarterly Report—at which time comments from the Board members would be highly appreciated. With respect to extending the completion date of the Facility's trust funds, Mr. Tarallo said the intention would be to request an extension until end-December 2012 to allow for full implementation of the currently approved grants.

9. Mr. Nangia proceeded to make the following points:

- He is especially encouraged about Ms. Jonas's remarks about the response to avian and human influenza being a model in going forward to address global issues.
- On the disbursement question, an absolute target of, say 42% or 50%, seems a bit strange because the overall figures include sequential processing of the grants; hence, the actual number, of grants approved earlier, is much higher.
- A related aspect, which also applies to loans and credits, is the concept of disbursement profile, which could be a way of giving a more accurate measure of whether a realized disbursement is lagging, and if so, by how much.
- As the One Health concept is certainly now coming to the fore, Mr. Nangia said that we must get better grounded in what it means and how it comes together; in going forward, he suggested that, rather than linking to a narrow concept of pandemic, or to H5N1 or H1N1, it may be better to think more broadly of bringing animal health, human health and the eco-system environmental management together.

10. Ms. Jonas added that, with respect to disbursements, recent analyses of the avian and human influenza project portfolio show that grant disbursement rates are 20 -30% better than the sector investment loans. She said that there persists an expectation of quick disbursements based on the perception of an emergency situation requiring quick interventions, when, in fact, the projects being funded are essentially medium -term capacity building in nature.

Presentation of Draft World Bank Report on a Results Framework for the AHI Facility

11. Ms. Huq presented the findings of a study on the results of Facility projects and the draft results framework [Annex 3](#) and noted that the report is still a work in progress that will be finalized soon and shared with all the partners. She pointed out that disbursements should not be treated as the only indicator of the success of the program; there exist other outcomes; that are equally valid such as, newly energized livestock and agriculture department in the recipient countries; countries' ability to control H5N1 and the new H1N1 virus outbreaks; efficiency gains with respect to surveillance systems; and increasing collaboration between animal and human health agencies.

Discussion of Draft Results Framework Report

12. Mr. Hanna pointed out that there are a number of items of interest to the EC; hence, the final report is potentially a very useful contribution and therefore, its receipt is greatly anticipated. He noted that there has been quite a buildup of reports, evaluations and studies that can now be assembled together.

13. Mr. Jordan similarly thanked Ms. Huq for her interesting presentation, and said he would prefer to reserve specific comments until there is an opportunity to read the report itself.

14. Mr. Hoye said he looked forward to receiving the report. He also remarked one point that Ms. Huq made at the outset, which bears emphasis, which is that one should not rely solely on disbursements as an indicator of progress or success, and therefore, he was much more gratified to see that there is much more data to use in drawing conclusions.

Extension of the Completion Date of the EC -Funded Trust Funds

15. Mr. Hanna repeated that the EC is quite willing to consider such a request, which he said should be submitted as soon as possible in well -substantiated form, so that it could, in turn, be quickly put into the EC's internal decision -making network.
16. Ms. Jonas acknowledged this information, and said that it is very good that an extension can be considered. She further stated that it is very unfortunate when artificial deadlines are set that interfere with project implementation.
17. Ms. Jonas also said that she believes that the item on the future of the Facility has essentially already been covered in the earlier response s given to the Administrator's report.
18. Ms. Jonas further suggested that, before the meeting is closed, the Board might wish to take advantage of the presence of Mr. Laurent Msellati, who is the AHI Coordinator for the Asia and Pacific Region.

Remarks by Mr. Laurent Msellati, AHI Regional Coordinator for East Asia and Pacific

19. Mr. Msellati told the Board that his short remarks may give a slightly different perspective than that of the Facility administration and that he is speaking on behalf of his other focal point colleagues. He made five brief points:
 - Because in most countries projects are supported by a several funding sources, we look at the project portfolio in the context of the larger picture; also, from the governments' points of view, a programmatic approach is taken because these projects are components within the even broader context of all projects being managed by the governments involved;
 - Obtaining results are a priority for the entire portfolio of AHI operations, and not only just for the part financed by the Facility, and there is a strong drive for results for the region as a whole.
 - On implementation progress, he referred to the Board meeting in Sharm El -Sheikh in October 2008 grants in the Asia and Pacific region disbursed \$5 million; now, just 18 months later, \$30 million has been disbursed, a six -fold increase; so, the trend is clear, and there is absolutely no reason for this trend to diminish.
 - Clearly, the next steps and the ability to achieve the results that are being sought, depend upon extending the completion date(s); there is additional funding requirements coming in for Vietnam, and an additional two -to-three years to finish implementation is needed;
 - Due to the inability of the EC contribution being used to finance taxes (the "tax issue") 100% financing from the EC contributions cannot be secured; given the size of the region's portfolio, the governments are looking for some way of covering the local tax portion of the project costs.
20. Mr. Msellati said that he would like to reiterate what Ms. Jonas said concerning the rates of disbursements. As implementation moves from emergency response into the medium -term perspective, disbursements on individual projects are going to slow down. The good news

is that the rates will remain higher than for the sector investment loans. In terms of the whole portfolio, the Indonesia grant had to be closed, which was a pity considering the country's needs. But clearly the Bank must be satisfied with committing only what it can really deliver. He noted that the Bank is now writing the completion reports for Indonesia and finds that there were several good achievements. Given more time, the Bank could consider reopening operation there.

21. Turning to Cambodia, Mr. Msellati noted that project implementation in this country has been problematic for the Bank. However, there is a strong commitment from the Government, the Bank wants to continue providing support, expenditures under this project are 70% committed, and the Bank is entirely confident that these trends will continue. The Bank is hopeful that pressure is not brought to bear to close this project.
22. In conclusion, Mr. Msellati re-emphasized that the Bank is taking a program approach in the region, where four out of five endemic countries are found; many other donors are involved in the projects of the region, and consequently, the Bank has to deal with a multiple levels of coordination; at the Bank-sponsored a learning event the previous week in Ho Chi Minh City, in preparation of the Conference there were 50 participants from the Bank's task teams plus counterparts from 13 countries. The central conclusion reached from this event was that a lot had been achieved in the region within a fairly limited amount of time, and that these achievements went well beyond H5N1 and these achievements should be continued.
23. Mr. Vandersmissen thanked Mr. Msellati for his remarks, and said that he believes that, in combination with Ms. Huq's presentation it gave, for the first time in any Board meeting, such a clear and comprehensive picture of what is happening within the countries; for this he said he wish to say thank you. He therefore encouraged submission of the results framework document as quickly as possible.
24. Mr. Hanna agreed that this discussion was most interesting in relating the real situation on the ground. He said having a better picture allows his staff to be better advocates for the work being done.

Next Meeting

25. It was tentatively agreed that the next Board meeting would be held in Washington in either March or April 2011, unless there was a compelling reason in the interim to hold it sooner.

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POWERPOINT PRESENTATION OF ADMINISTRATOR'S REPORT

FIVE ACTIONS AGREED AT THE SIXTH ADVISORY BOARD MEETING

- a. The Bank will be proactive to close grants which are not performing – the process is already started.
- b. With the closure of non -performing grants and new contribution from India along with some residual funds, the Bank will make new grants to countries which can demonstrate fast disbursements.
- c. The recognized need to take the opportunity to move toward results framework with structured reporting on ratings and linking this to broader framework. This will be done for the quarterly report issued at end March 2 010.
- d. The production of public relations oriented presentations, brochures to demonstrate what has been achieved so far with the help of external affairs staff.
- e. The need to think about how the successor fund will look like to address the important area of interface between animal and human health.

POWERPOINT PRESENTATION OF FACILITY'S RESULTS FRAMEWORK

LIST OF INDIVIDUAL ATTENDEES

Joint-Chairs

William Hanna	Head of Unit, AIDCO D -2, EuropeAid Cooperation Office, <u>European Commission</u>
Olga Jonas	AHI Operational Response Coordinator, <u>World Bank</u>

Members

Andrew Jordan	<u>UK Department for International Development (DFID)</u>
Warren Hoye	<u>Australian Agency for International Development (AusAID)</u>
Alain Vandersmissen	<u>European Commission</u> (DG External Relations) – Coordinator, Avian Influenza External Response
Libuse Soukupova	<u>European Commission</u> (EuropeAid Cooperation Office)

Observers

Gardner Murray	Special Advisor, OIE Regional Coordination Unit for SE Asia, <u>World Organization for Animal Health (OIE)</u>
John Weaver	International Chief Technical Advisory, Hanoi Field Office, <u>Food and Agriculture Organization of the United Nations (FAO)</u>

AHIF Management Team and World Bank Staff

Rakesh Nangia	Director, Strategy and Operations, and Head of Delegation for the World Bank to IMCAPI
Laurent Msellati	Avian and Human Influenza Coordinator for the Asia and Pacific Regional Vice Presidency
Jimmy W. Smith	Sr. Livestock Specialist, Agriculture and Rural Development; Social Development Network Vice Presidency
Roberto Tarallo	Manager, Program Administration, Global Partnerships and Trust Fund Operations
Wahida Huq	Sr. Operations Officer, Program Administration, Global Partnerships and Trust Fund Operations
Omar Hayat	Sr. Operations Officer, Program Administration, Global Partnerships and Trust Fund Operations
James Philip Casey	Consultant; Global Partnerships and Trust Fund Operations, World Bank