



Australian Government
AusAID

Consolidated Quality at Entry Report for ICDDR,B core financing 23 February 2011

Description (no more than 300 words per cell)

<p>1. Description of the Initiative/Activity</p>	<p>What is it?</p> <p>ICDDR,B (the Centre) is an international research, service and training institution working to improve the health of people living in poverty, particularly in Bangladesh, where the Centre is based. It was originally established in 1960 as the Cholera Research Laboratory. Later, in 1978 it was transformed into an international organisation, with its scope broadened to include many of the major public health issues facing poor countries: child health, infectious disease and vaccine sciences, reproductive health, nutrition, population sciences, health systems research, safe water, HIV/AIDS and poverty-health links. ICDDR,B is the only international health research institution based in a developing country.</p> <p>AusAID has supported ICDDR,B since 1978. Following an institutional review of ICDDR,B by AusAID in 2006, our support shifted from being project based to core funding support in 2007. AusAID is part of a group of five donors including United Kingdom (UKAID), Netherlands, Sweden (SIDA) and Canada (CIDA) providing unrestricted core funding to ICDDR,B. In 2010 core financing made up 34% of the centre's annual budget.</p> <p>Our last phase of support was for the period 2007 to 2010 (one million a year for three years) and has concluded on 30 June 2010. Next phase of support is under appraisal and anticipated to start from April 2011.</p>
<p>2. Objectives Summary</p>	<p>What are we doing?</p> <p>Key Objectives of ICDDR,B:</p> <ol style="list-style-type: none"> 1. <u>Research</u>: To develop new knowledge relevant to global and local health needs, and influence change in programs, policies and practices which incorporate this knowledge. 2. <u>Clinical Services</u>: To contribute to the health of the population served and understand the knowledge of service needs and clinical interventions. 3. <u>Training</u>: To ensure that local and regional health and research workforce have improved skills and knowledge in relevant areas, and incorporate the knowledge into practice 4. <u>Management and Operations</u>: To ensure that growth and development of ICDDR,B is in line with the vision and mission, and maintain relevance of the Centre to local, regional and national context. <p>AusAID has an implicit objective:</p> <ol style="list-style-type: none"> 5. To be a good, responsive partner, and through the <u>partnership</u> support relevant and practical health related research undertaken by ICDDR,B aligned to their strategic plan.

Australian Aid – Rated Quality Criteria (no more than 300 words per cell)

Criteria	Assessment	Rating (1-6)	Required Actions (if needed) ‡
3. Relevance	<p>Debbie Muirhead</p> <p>MDG focus of new strategic plan ICDDR,B 2020 and the emphasis on the translation of research to policy is in line with AusAID priorities and research strategy focus.</p> <p>Generally for a research institute overall a mix of core and project funding is best to incentive progress toward objectives. Core funding can allow the Centre to define and conduct research that is in its priorities but where grant funding from donors is not available. However, generally there is good amounts of grant funding available to developing country health research institutes of good standing as ICDDR,B for the conduct of research. Often more importantly though core funding can be used for necessary activities for which grant funding is less available such as research communication and engagement activities that promote its uptake and use in policy and investment in administrative systems and infrastructure.</p> <p>Core funding also allows immediate response to requests for assistance (eg by Bangladesh government or health care services) where funding is not immediately available to support this – hence supporting its responsiveness and relevance to decision maker needs locally.</p> <p>Javier Martinez</p> <p>AusAID has been key to developing the current core funding arrangement at ICDDR.B and to coordinating work with other core funding partners, who include the most important bilateral donors in Bangladesh and the Government of Bangladesh itself. Through its top quality research, training, technical assistance & service delivery ICDDR,B helps Bangladesh –its government, partners and the international development community in other countries to achieve the MDGs.</p> <p>Research institutions depend on external funding that they seek in the open market. The research market is dominated by commercial interests and may not always support the priorities that are crucial to helping poor countries achieve health outcomes. By providing core funding AusAID and its partners liberate ICDDR,B from bidding for work that is not central to its mission while enabling a more stable working environment that delivers top quality outputs relevant to Bangladesh and other poor countries..</p> <p>ICDDR,B's strategic plan 2020 and its core funding proposal are :</p> <ul style="list-style-type: none"> - Highly aligned with AusAID's country and international development priorities. Support to ICDDR'b helps achieve progress in focus areas defined by Ausaid Bangladesh including: improve health access & quality; improving education access and quality; reduce extreme poverty and food insecurity; improve climate change adaptation and disaster risk reduction. These areas are specifically addressed in the 2020 Strategic Plan. - 2. The way of supporting ICDDR,B through core funding provided by various donors against a predefined M&E framework is highly harmonised, predictable and innovative way of funding a private sector entity, fully aligned with principles of Paris Declaration And reducing transaction costs to the institution and to AusAID. 	6	<p>Debbie Muirhead</p> <p>Extend above objective 5 to include to what end? – Focus on primary objective as is better to monitor and evaluate well a few things key to goals rather than evaluate many things at a shallow level.</p> <p>Some reference in our design summary on how relevance to, particularly national and regional stakeholder priorities is ensured in core funding allocation (eg through membership on board and boards role in decision making of core funding allocation) would be useful.</p> <p>Javier Martinez</p> <p>Continue to use Annual External Reviews to maintain the focus of the Centre on MDGs and on its own defined priority areas as a key contribution to institutional development and meaningful policy dialogue.</p>

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4. Analysis and learning	<p>Debbie Muirhead</p> <p><i>The information provided in ICDDR,B document is comprehensive and clearly previous reviews conducted by AusAID and by the organisation itself have given good underpinning to a joint donor core funding approach.</i></p> <p><i>Some reference to other independent evidence on funding models for institutes such as ICDDR,B could be useful other than just AusAID's own commissioned reviews. (eg see Costello & Zumla (2000) BMJ – which can give justification for core funding and techniques for evaluating the partnership over medium term. Also lessons from funding other centres by AusAID (or other donors) and what has and hasn't worked would be useful to have reflected in design.</i></p> <p>Javier Martinez</p> <p>AusAID has supported ICDDR,B through the Core Funding arrangement since 2007. Annual external reviews undertaken since then have consistently praised the work of ICDDR,B, its high impact and the highly aligned and harmonised way of supporting it. External reviews have also raised areas for improvement which, generally speaking have received due attention by the ICDDR,B management and reported about in subsequent reviews. As a research institution based in a developing country and focusing on health problems of the poor ICDDR,B faces a range of financing challenges in the near future (2010 annual review) such as:</p> <ul style="list-style-type: none"> - recurrent operational funding for core infrastructure, which is largely predictable but does not directly generate revenue; - provision of services (conduct of research studies) on the basis of contracts, and which generates revenue that covers its costs; - response to unpredictable outbreaks and epidemics, mainly through clinical services, which is less predictable, is difficult to control and which also does not generate revenue; - investment in building infrastructure (human or physical) or in providing services at levels above revenue, which is largely controllable. <p>Core funding has provided ICDDR,B with stability but it has not reduced its efforts or success in attracting external funding – the opposite is actually the case. ICDDR,B research portfolio and strategic plan are now much more supportive of MDGs than they were 4 years ago, and this is greatly thanks to the support of core funding donors.</p> <p>Indications are that other core donors will probably continue to support this arrangement. ICDDR,B expects more external donors to join in this form of institutional support. Their support will be crucial at this time when the economic crisis compromises the ability of the GoB to provide sufficient financial support to the Centre.</p>	5	<p>Debbie Muirhead</p> <p><i>Do we know anything about potential impacts on broader research sector in Bangladesh of level of salaries and support of internationals at ICDDR,B in through core funding ? (Often raised as an issue in countries where there is one large international institute located in a country where research resources are limited).</i></p> <p>Javier Martinez</p> <p>Institutional dialogue with core donors has been key to aligning the support of donors with the Centre's strategic priorities. This should continue.</p>

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5. Effectiveness	<p>Debbie Muirhead</p> <ul style="list-style-type: none">ICDDR,B is an internationally respected and recognised institute for the value of its work to health and development. The ICDDR,B document outlines some important outcomes from the core funding support – particularly in establishment and maintenance of infrastructure and systems.Core funding supports the Strategic Plan and the core funding proposal states that one of the primary objectives is the translation of research into policies not only the production of new knowledge. This is welcome and crucial (in fact is suggested will make the most difference to health outcomes in developing countries over new research). Would be good to have information on strategies ICDDR,B have to promote this and how our core funding will support these.Be clearer about how core funding is the best approach to support the achievement of objectives. The core financing proposal has it will help build on past achievements in key research areas but not how and why core funding is best for this over other types of funding models. <p>Javier Martinez</p> <p>Four consecutive annual reviews show that the Centre is increasingly focused on its strategic objectives and continues to deliver top quality research, technical assistance, training and service outputs. These are of international standards and, for example, in 2009 the Centre showed the following progression on achievements:</p> <table><tr><th>Year</th><th>Proto cols Appr oved</th><th colspan="3">Funds allocated to research</th><th colspan="2">Scientific publications</th></tr><tr><th></th><th></th><th>Restrict ed US\$</th><th>Unrestrict ed US\$</th><th>Total US\$</th><th>Outpu t</th><th>Citation s</th></tr><tr><td>2008</td><td>70</td><td>12.7m (94%)</td><td>804K (6%)</td><td>13.5m</td><td>157</td><td>4122</td></tr><tr><td>2007</td><td>59</td><td>11.2m (93%)</td><td>891K (7%)</td><td>12.1m</td><td>131</td><td>3307</td></tr><tr><td>2006</td><td>51</td><td>8.3m (97%)</td><td>304K (3%)</td><td>8.6m</td><td>144</td><td>2480</td></tr></table> <ul style="list-style-type: none">Upward trend in citation shows increasing impact of ICDDR,B research and institutional drive to get research in policy and practiceIncreases in research protocols also an upward trend showing institutional effortIncreases in restricted funding show that Centre has used core support to developing its capacity, not to reduce its search for research funding.	Year	Proto cols Appr oved	Funds allocated to research			Scientific publications				Restrict ed US\$	Unrestrict ed US\$	Total US\$	Outpu t	Citation s	2008	70	12.7m (94%)	804K (6%)	13.5m	157	4122	2007	59	11.2m (93%)	891K (7%)	12.1m	131	3307	2006	51	8.3m (97%)	304K (3%)	8.6m	144	2480	6	<p>Debbie Muirhead</p> <ul style="list-style-type: none">Given the evidence that at a research institutional level a mix of core and project based funding provides the best incentives for performance and sustainability - we should consider at what proportion of total funding additional core funding starts to provide perverse incentives for sustainability and therefore where our and the CDG cut off should be for core support <p>Javier Martinez</p>
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6. Efficiency	<p>Debbie Muirhead</p> <p><i>Given that salaries and benefits of international researchers are the second largest core expense item of ICDDR,B just under 20 % of total core expenditure is AusAID's position on some of its funding going toward nationals of high income countries working at ICDDR,B clear – e.g. must relate to capacity building or cannot be over a certain percentage etc or do we leave this flexible?</i></p> <p><i>Are total salaries allocated to core funding or are some of these allocated in project proposals and therefore project funding (as is usual for institution such as ICDDR,B)?</i></p> <p><i>There are risks associated with heavier donor direct involvement with institutional strengthening – particularly when you refer to the fact that the current MEF is perceived by some staff of ICDDR,B as being donor driven already. Would pay specific attention to how directions and strategies for this will be led by the institution not by AusAID</i></p> <p>Javier Martinez</p> <p>Given the sustained high impact rating of its work investing in ICDDR offers excellent value for money and is an example of a Partnership for Development. It also scores high in terms of predictability and low transaction costs to the Centre, to the GoB and to AusAID. The M&E framework in place is reviewed annually for performance and hence risk is well under control.</p> <p>The 2009 annual review praised the Centre for "good financial management reported on a very difficult year – good comparisons with other research institutions".</p>	5	<p>Debbie Muirhead</p> <p><i>Ensure any institutional assessment is demand led from ICDDR,B board and is perceived in this way internally within the institute – so is seen to benefit primarily the institution rather than the donors.</i></p> <p>Javier Martinez</p> <p>The 2010-2014 Proposal is a good basis for funding but additional information may be required on the precise nature of some investments and on the means to control risk. This is addressed in the separate technical report expanding on this QAE report.</p> <p>It is recommended that the forthcoming Institutional Review to take place in March/April 2011 be used to explore the possibility of helping the Centre develop robust financial planning & management practices.</p>
7. Monitoring & Evaluation	<p>Debbie Muirhead</p> <p><i>Why the move from MEF to BSC – what motivated the organisation / board to want to move in this way – are there benefits drawbacks to the evaluation of AusAID support?</i></p> <p><i>Given the good board structure that ICDDR,B has I would highlight this more in the design summary document in the monitoring and evaluation section as the primary group that have oversight on core funding use and strategic directions of the organisation and why AusAID can trust this process (which I think it certainly can).</i></p> <p>Javier Martinez</p> <p>The Centre has adopted the M&E framework (MEF) that AusAID helped develop with enthusiasm at senior leadership level. With the benefit of guidance of the Board of Trustees the MEF is attempting to evolve a more flexible, interactive process where a proposed Balanced Scorecard Monitoring Framework (BSMF) is presented in the draft Strategic Plan (SP2020), where measures and indicators and their associated means of verification have been selected so that they: explicitly indicate the criteria for attaining the strategic objectives; focus on the key operations and processes of the Centre; are adequate for making a proper assessment of the achievement of identified objectives; and are objectively verifiable and unambiguous.</p> <p>The process of annual external reviews ensures compliance to the MEF and to the recommendations from previous annual reviews.</p>	6	<p>Debbie Muirhead</p> <p><i>Is there a reason the institutional assessment is being done by CIDA and AusAID in April? What was the motivation for this? How are we ensuring led by ICDDR,B?</i></p> <p>Javier Martinez</p> <p>Ensure the MEF becomes a M&E tool for the entire organisation – from senior management to research assistants- to monitor its performance and strive for excellence.</p> <p>Increasingly the Annual reports should become the basis for annual reviews - this is already happening.</p>

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8. Sustainability	<p>Debbie Muirhead</p> <p>ICDDR'B performs well on other factors that substantially impact sustainability of a research institute other than numbers of donors providing core support through CDG. These should be further highlighted such success in long term grant funding both winning and completion of projects and publication rates (as these bear on international reputation which has direct links with likely future funding). Could also include level and type of collaborations with international organisations of high repute (eg ICDDR'B is member on a range of DFID research program consortia with e.g. LSHTM)</p> <p>Current shortfall's though are an issue and some analysis as to how these occurred and will be avoided in future will be crucial to ongoing growth of institute</p> <p>Javier Martinez</p> <p>Benefits will last – they have lasted for 50 years to date since the Centre is celebrating its 50th Anniversary. An "exit strategy" does not seem appropriate given the nature of the centre and its mandate to focus on significant health problems affecting the most vulnerable people of Bangladesh. Research institutions are never fully sustainable or likely to reduce their need for external funding. The opposite is the case: as they become more successful their needs increase and so do the needs for effective financial management and continued adaptation.</p> <p>The Centre has managed to balance all budgets since 2007 (and indeed since incurring deficits in 1997) which has enabled it to progressive reduce its debt burden from \$4 – 5 million to the current \$1.2 million.</p> <p>However the balanced budget is achieved by requesting additional funds or frontloading of funds particularly from core donors. Discussions with Centre management have indicated that Centre is aware of this financing challenge and has instigated a number of strategies:</p> <p>(a) Maximise contribution from project 'restricted' funds. (b) Reduce costs (c) Fundraising strategy (d) Risk management strategy</p>	5	<p>Debbie Muirhead</p> <p>Is important to articulate why a research centre such as ICDDR,B will always depend on donor support and in what forms– expand on short reference to "limited by mandate".</p> <p>Give consideration to evaluating other aspects of ICDDR'B funding and output that closely relate to institutes sustainability rather than just numbers of sources of core financing (eg include table as Dr Martinez has but relate to ongoing sustainability of institute)</p> <p>Javier Martinez</p> <p>There is a need for AusAID to maintain attention by the Centre on its strategies to meet the financing challenges and mitigate risks over the years.</p> <p>Predictability of funding is key for ICDDR,B. the 4 years covered in the proposal to Core Donors may not be compatible with the aid cycles of some donors. Efforts are recommended for AusAID to guarantee a 4 year funding horizon and to work with other Core Donors to achieve the same, to the extent possible.</p>
9. Gender Equality	<p>Debbie Muirhead</p> <p>Would be good to have an idea of what a focus on gender equality means in the context of this partnership – where should the emphasis be – the research they conduct (which given much MCH is clear), their own organisational structure, their board etc?</p> <p>Javier Martinez</p> <p>The 2009 review looked specifically at gender and acknowledged impressive gains in gender focus over seven years. For example gender much more prominent in the Centre's planning and operations, and in its research and HR policies. A good framework is in place for the Centre to monitor its own track record in this area.</p>	4	<p>Debbie Muirhead</p> <p>Articulation of what areas this is important in and inclusion in evaluation processes</p> <p>Javier Martinez</p> <p>It would be important to ensure a sustained focus on gender by ensuring gender is specifically included in the Centre's Scorecard that is part of the MEF.</p>

* **Rating:** Provide ratings for each of the quality principles using the questions on the next page to assist you, and the following rating scale:

Satisfactory rating (4, 5 and 6)

- 6 Very high quality; needs ongoing management & monitoring only
5 Good quality; needs minor work to improve in some areas
4 Adequate quality; needs some work to improve

Less than satisfactory rating (1, 2 and 3)

- 3 Less than adequate quality; needs to be improved in core areas
2 Poor quality; needs major work to improve
1 Very poor quality; needs major overhaul

‡ **Required actions (if needed):** These boxes should be used wherever the rating is less than 5, to identify actions needed to raise the rating to the next level, and to fully satisfactory (5). The text can note recommended or ongoing actions.

Safeguards and Commitments

Answer the following questions relevant to potential impacts of the activity:		
10. Environment	Have the environmental marker questions been answered and adequately addressed by the design document in line with legal requirements under the Environmental Protection and Biodiversity Conservation Act?	<p>Debbie Muirhead</p> <p><i>Needs more clarity in terms of what would mean for institute such as ICDDR'B –some ref has been made in relation to energy use. Also Centre undertakes environmental health research but think other aspects of this question are less relevant to this activity.</i></p> <p>Javier Martinez</p> <p>The 2010-2014 funding proposal is to be read in conjunction with the ICDDR, Strategic Plan 2020 that the proposal aims to support. Such SP 2020 provides sufficient information on the importance of the environment in the Centre's research, training and service delivery strategies given Bangladesh's high exposure to the effects of climate change and to natural disasters.</p>
11. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	<p>Debbie Muirhead</p> <p><i>Yes but would highlight in terms of ethics processes of institute</i></p> <p>Javier Martinez</p> <p>Yes</p>

Other comments or issues