

Global Call for Proposals Guidance for Development of Concept Notes



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in bringing together partners who share a common goal of enhancing accountability, public financial management, transparency, and good governance through strengthening SAIs. The Cooperation provides a global forum to inform and strengthen stakeholders' policies and priorities for working with SAIs.

A key rationale behind the INTOSAI-Donor MoU is to scale up and enhance the effectiveness of support to SAI Capacity development, through a range of funding instruments. The Global Call for Proposals (GCP) is a project matching mechanism aimed at empowering Supreme Audit Institutions (SAIs) in developing countries to drive forward their capacity and performance, based on the principles of SAI-led strategic plans, and harmonised and coordinated support. It provides an inclusive opportunity for all SAIs and INTOSAI bodies to put forward capacity development funding proposals at the country, regional and global level.

3. Tier 1 – A Rolling Process for Submitting Concept Notes

Tier 1 enables SAIs to submit concept notes for review and distribution at any time. This allows the SAIs to adapt their submissions to their internal processes, and encourages a more thorough assessment of the SAI's need and their leadership in the identification of needs for support.

3.1 The MoU Principles and their Relevancy

As the Cooperation's key pillars, the GCP should contribute to implementing the MoU principles, notably

- Country leadership
- SAI-owned strategies
- Alignment
- Harmonisation/Coordination
- Scaled-up support

SAI capacity development projects should be **SAI-owned**. The project should clearly demonstrate that it comes from an identified need for development of capacity within the SAI. The MoU states that the SAI community will endeavour to develop **country-led** strategic and Development Action Plans that are comprehensive, realistic and prioritized, and that the donors will endeavour to **mobilize resources** to support in the development and implementation of such plans. A SAI's proposal for support should be **aligned with its strategic priorities**, and donors are encouraged to **support** such proposals.

There is a strengthened emphasis in the GCP on ensuring that SAI-led proposals are based on long-term objectives in the SAI's strategic plan, informed by an evidence-based needs assessment identifying strengths and weaknesses, and confirming the needs identified in the proposed project. SAIs identifying need for strengthening capacity in many areas of its operations must demonstrate ability to prioritise.

The MoU supports the existence of multiple funding mechanisms, but primarily it promotes the **increased harmonisation and improved coordination** of support provided. Some SAIs already have



established partnerships with donors and other providers of support. Proposed projects put forward through the GCP should not duplicate efforts to obtain support already received by other parties. While SAIs will be able to submit concept notes in addition to existing support, they are encouraged to consider whether support can be obtained through existing partnerships. Applicants will be asked to provide information about existing partnerships and coordination mechanisms.

3.2 Priorities for the INTOSAI-Donor Cooperation

The MOU stipulates that the goal of the Cooperation is to strengthen SAIs in developing countries. A list of developing countries is provided at <http://www.oecd.org/dac/stats/daclist.htm>. Applications for regional, sub regional and trans-regional initiatives should demonstrate the benefit to specific SAIs in developing countries in the concept note template. Applications for global initiatives, including development of global public goods, should explain the potential benefit and use by SAIs in developing countries.

Decisions on whether or not to provide support (financial, in-kind, peer-to-peer) for each application will be made by individual SAIs and donors, after concept notes have benefitted from review and feedback provided by the INTOSAI-Donor Secretariat. Some donors may have specific priorities and requirements for providing support, including priority countries, pertaining to their organisations.

a. Support for SAIs in Low Income and Lower Middle Income countries and Fragile States

Globally, development resources are being increasingly prioritised towards countries most in need. Funding for low income countries is set to increase by 50%. Funding, especially grant (rather than loan) funding is decreasing for upper middle income countries, though a small number of donors continue to work in this area. Similarly, many donors are committed to scaling up support to countries on one of the lists of fragile and conflict environments.

b. Assistance to SAIs in developing countries in implementing the ISSAIs

The [International Standards for Supreme Audit Institutions](#) (ISSAI) framework is a common framework of International Standards for SAIs covering principles ranging from institutional foundations to quality in financial, compliance and performance audit. Support to SAIs in implementing the ISSAIs constitutes a key priority to ensure enhanced SAI independence, improved audit quality and better and more credible audit reports. It also provides a common understanding for both SAIs and donors of what audit quality and credible institutions means. ISSAI implementation is a long-term objective and requires support throughout the different steps of the process. SAI PMF assessments constitute an evidence-based assessment and measurement of SAI performance against the ISSAIs and other good practices. Hence they can form an important anchor in terms of needs assessment, informing strategic plans, and monitoring progress towards ISSAI implementation.

c. Initiatives that encourage peer-to-peer support

expresses interest in supporting the concept note, as it elaborates on the project the applicant and funder agrees to take forward.

4.2 What is the Applicant’s Foundation for Developing the Concept Note?

A proposal for support that is SAI-led and needs-based

To support the applicant in playing an active role in establishing a partnership this to be successful the GCP requires that:

1. The SAI actively develops the project, with its senior management being actively involved and the Head of the SAI approving its submission
2. The project resonates a need for capacity development that has been identified by the SAI itself
3. The proposal has been identified and prioritised amongst possible areas to pursue

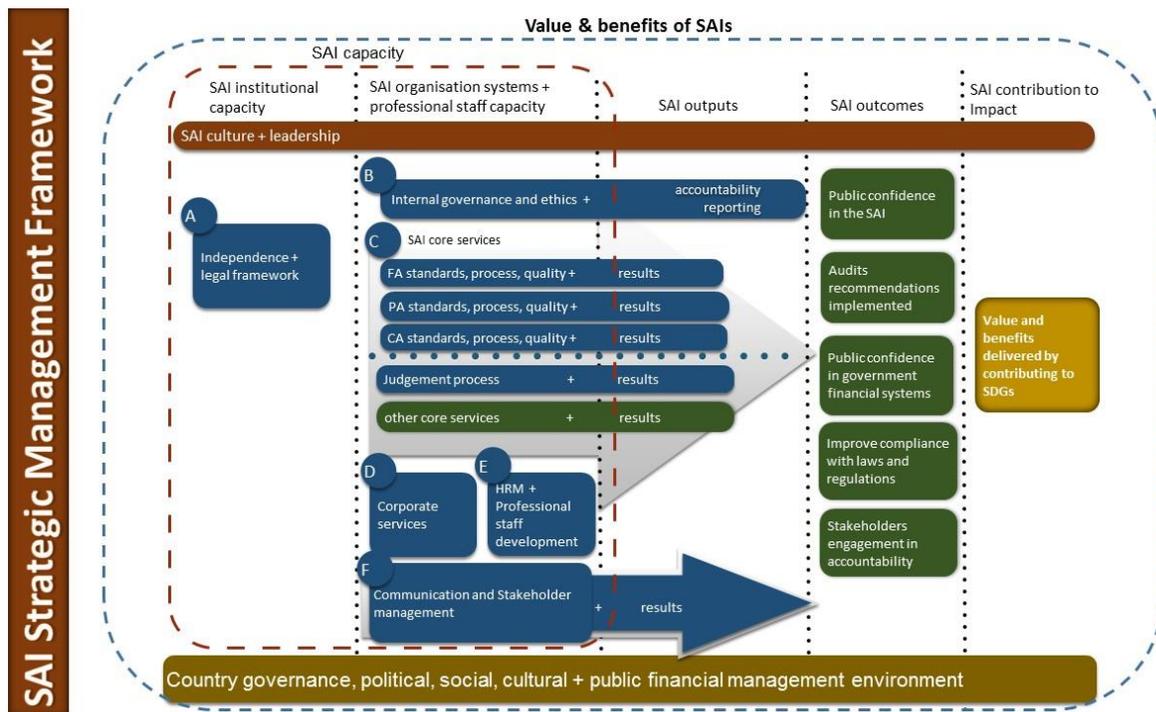


Figure 1 SAI Strategic Management Framework. – The blue boxes are equivalent to the domains measured under the SAI PMF, and the letter corresponds to the domain structure.

The value and benefits a Supreme Audit Institution brings to society and its stakeholders are the sum of its performance. Institutional capacity relates to the external framework provided for the SAI, including its mandate, independence and autonomy, consolidated in legal framework and its practical implementation. The organisational capability of the SAI covers how it organizes and manages not only



the audit work, but also how it plans, manages, uses its resources, as well as demonstrates its own accountability. The way audit results are used is equally important. Figure 1 shows how the different capabilities make up the SAI's overall capacity. An effective concept note begins with SAI management actively identifying capacity development needs and prioritising where there is a need to focus efforts, before considering sequencing of capacity development efforts.

A proposal for support that is evidence-based

An assessment of the SAI's capabilities and their relationship, provides evidence for the problem description. Starting out with mapping the needs of the SAI helps ensure that proposals put forward to partners for support are likely to contribute to an overall improvement. A SAI PMF report is one example of a key document that could be used as basis for the problem description.

There should also be alignment between results the project seeks to achieve, and the SAI's strategic objectives, in longer or shorter term. A Strategic Plan sets out the strategy for developing the SAI over the longer term, and presents the SAI's priorities for the current period. However, basing project proposals on Strategic Plans, also requires the Strategic Plan to be up to date and reflect the latest needs assessment. For SAIs seeking donor support, this means using the most recent source of needs assessments. If the objectives of the strategic plans are outdated in light of the needs assessment report, an application for support should no longer put emphasis on the strategic plan alone.²

A proposal for support that demonstrates its contribution to expected results

Entering into a dialogue with a potential provider of support does not only require the SAI to acknowledge and understand its challenges in terms of capacity, it also demands that it understands where it wants to go, and what the options that can take it there would be.

The concept note defines the intended outcome(s) of the initiative. The outcome should cover expected benefits for external stakeholders, rather than only the internal change within the SAI. The SAI needs to consider what the long-term effect of the project would be, and avoid short-term efforts with benefits for few of the staff. The SAI Strategic Management Framework, Figure 1, presents examples of SAI outcomes, such as the implementation of audit recommendations. Conversely, SAI outputs relate to capacity enhancements internal to the SAI. Proposed initiatives which focus on enhancing SAI capacity in situations where this is unlikely to lead to benefits for external stakeholders would be unlikely to receive support. Critical barriers which prevent capacity enhancements delivering benefits for external stakeholders would need to be considered and addressed as part of the program.

The SAI may not be able to design the project by identifying all input, activities and key deliveries when they submit the concept note. Nevertheless, it still needs to present considerations on why the SAI

² In some cases, the strategic objective may stay relevant, while the needs assessment may suggest the way forward should be different to that proposed in the Strategic Plan.



perceives the project to address the challenges, as well as why it is likely to contribute to the results. This includes descriptions of characteristics of the proposed intervention. The concept note needs to include a reflection on whether the intended result should be set as a long-term, medium-term or short-term objective, and what role the project plays in achieving the objective. The textbox below presents an example on what a SAI would have to consider when planning for ISSAI implementation.

Textbox 1. ISSAI implementation

*Progress towards ISSAI implementation is an objective for many SAIs. ISSAI implementation represents implementation of high-level principles on how the SAI should operate, ranging from its autonomy, through its relation to stakeholders, and to how it ensures quality throughout the organisation. When progress towards ISSAI implementation is the intended outcome of a capacity development effort, the SAI needs to **define its outcome** more precisely, and explain **which types of interventions** will contribute to the deliveries necessary to achieve the outcome. In this context could SAI start by identifying its **core activity**. In many cases, this would be compliance audit. The SAI will then need to identify **all the levels** in the organisation the development efforts will need to take place, including senior level, management level, and staff level. It would also need to **define technical implementation** such as guidance and manual development, training and support. Finally, it would need to plan for **operational implementation**, to arrive at the level where auditors are able to conduct compliance audits that are to a large degree compliant with ISSAI principles and guidelines for compliance audit. These considerations give insight into the fact that ISSAI implementation is a **long-term effort** with several intermediate milestones, and the SAI would find it necessary to **sequence** its capacity development efforts into several stages, where each project is a stepping-stone on progress towards ISSAI implementation.*

A concept note shows how the proposed delivery mechanism for implementing support is likely to contribute to its results. There are many possible delivery mechanisms, and they all have benefits and shortcomings. While bilateral support may be the most direct way of ensuring support for a specific project, the SAI may need an expertise that could best be provided through a specific peer SAI, or through a regional body. The concept note should propose possible options and describe which partners outside the donors they will need to interact with, and whether these actors can provide the technical expertise and contextual knowledge necessary to ensure the success of the project.

Applicants should take note of the IDC priorities of peer-to-peer support and regional programmes as possible ways of providing support. The INTOSAI-Donor Secretariat has developed Donor Factsheets to help applicants understand how providers can support SAIs. These can be found on IDC's website. Similarly, the published Statements of Capability developed by INTOSAI members can help to better understand what kind of support could be provided by peers within the INTOSAI community.³

³ Please note that these are referenced here for informational purposes, as possible providers of support. A suggestion in a concept note to use a specific partner is not a guarantee of support from that partner.



A proposal for support that implements the IDC MoU-principles

Concept notes will be reviewed by the INTOSAI-Donor Secretariat, against the principles of the Memorandum of Understanding. Only concept notes that meet set criteria will be distributed to donors and other providers of support. The MoU defines principles which equally apply to both INTOSAI and the donor signatories. In this case, the principles will be considered to be met when it is evident from the concept notes that projects proposed are based on the criteria that applies to SAIs. It is therefore of importance that SAIs are familiar with the principles, and understand the importance of their contribution in forming a high-quality project for support.

Implementing the principles means that efforts to strengthen capacity are based on a comprehensive assessment of the SAI's need, and supports strategic plans for development of the SAI with realistic objectives, that are aligned with the strategic goals. In the concept note's problem analysis, the SAI should demonstrate that they have prioritized necessary measures, where several areas are in need of strengthening. The act of prioritization should lie with the head of SAI, to demonstrate the commitment to and ownership of the necessary actions. Alignment of proposed objectives against the SAI's strategic objectives is important.

Where the SAI is already receiving support through regional or bilateral partnership, additional support should be complementary, and provided in a harmonized and coordinated manner to avoid unintended duplicative capacity building efforts. It is also important to maximize synergies and efficiencies between various forms of support, and avoid the potential for conflicting advice or direction. For the SAI as an applicant, it means that it also needs to demonstrate that the proposed support will not lead to these issues.

The 2014 Global Survey results suggest that donor coordination appears to remain a key to success in improving the effectiveness of support. The SAI is therefore responsible for providing information on existing support and partnerships, and explain measures put in place to coordinate existing efforts. It is worth noting that coordination of support can also be understood from a wider perspective, to cover coordination in relation to:

- Needs assessments, performance measurement, results frameworks and identification of reform priorities
- Selection and planning of capacity development initiatives
- Implementation, reporting and evaluation of capacity development initiatives
- Policy dialogue with stakeholders on SAI reform – especially independence and legal framework – and how SAI reform fits into broader PFM and governance reform
- Advocacy efforts to promote and strengthen the SAI, including the proactive use of the SAI's audit reports

