

implementation. KPMG's reviews helped the organization gain an independent assessment of its program and consider how to better implement it.

4.4 Africa – Establishment of Community Land Management Fund in Mozambique

Since 2005, we have been assisting the UK Department for International Development (DFID) to establish a civil society funding mechanism that provides necessary assistance to rural community groups to secure land tenure and natural resource rights and increase the sustainable management and utilization of these resources for poverty reduction and economic growth. This is accomplished via taking advantage of new policy approaches to tenure security and natural resource use and exploitation. The Fund's pilot phase targets communities in three provinces of the country (Gaza, Manica, and Cabo Delgado) and subsequently scales up to national level coverage.

KPMG provides support to establish the funding mechanisms and develop and implement a management and financial system including a transaction recording system operating in accordance with internationally accepted norms and practices. We enhance stakeholder and client awareness of the Fund through effective communication and marketing, evolving the awareness campaign for beneficiaries and services providers, applying a socially inclusive strategy for community awareness, and implementing a visibility plan. We assist DFID in developing and implementing the project portfolio—addressing social inclusion and the range of potential beneficiaries; developing criteria and procedures for eligibility and fund allocation.

4.5 Africa – Governance, Justice, Law and Order Sector (GJLOS) Reform Program in Kenya

KPMG is providing program and fund management agency, procurement, and financial management services to the GJLOS reform program in Kenya. GJLOS is a basket donor-funded sector-wide reform program. Our primary role is to receive funds; procure goods and services on behalf of implementing Ministries, Departments, and Agencies; make payments for procured goods and services; and account for the financial resources to the development partners of the basket fund. In this role, KPMG works closely with Government to enhance its capacity for financial management and procurement.

4.6 Africa – Capacity Building Trust Fund in Sudan

As part of the implementation of the Comprehensive Peace Agreement between the Government of Sudan and the Sudan People's Liberation Movement (SPLM) that was signed in 2005, SPLM and the United Nations agreed to establish a Capacity Building Trust Fund (CBTF) to provide funding to support recurrent costs, capacity building and institutional strengthening, and quick start impact programs during the period the Agreement was being implemented. KPMG has been appointed as Financial Management Agent of CBTF. In this role, KPMG provides fiduciary assurance that funds are used and accounted for properly. We also assist in providing program management services, and designing and procuring project initiatives. A key accomplishment has been the setting up of a Government Accounting Training School in Juba that has delivered courses in Program and Financial Management to more than a thousand public servants in the first year of operations.

4.7 Africa – Strengthening Local Government Authorities in Kenya

Between 2002 and 2005, we assisted the Government of Kenya to implement its Local Governance Systems Program (PROLoGS) in the Ministry of Local Government. PROLoGS supported the development of pro-poor integrated local governance systems in Kenya. KPMG acted as Program Management Agent. The initiative's objective was to improve the performance of local authorities in service delivery, while involving local communities in planning and subsequently improving their living conditions.

All levels of government participated from the Ministry of Local Government down to councils in the two largest urban centers, Nairobi and Mombasa, and further to two rural counties. The program procured US\$1.6m of materials and services for priority projects identified in four pilot local authorities and scaled up to the rest of the 174 councils in Kenya applying lessons learned and leading practices.

4.8 Africa – Accounting Services Support to the Government of Southern Sudan (GoSS)

KPMG is providing accounting support to GoSS for the preparation of the Government's accounts. KPMG also provides fiduciary and financial management services to the World Bank-administered Multi-Donor Trust Fund used by development partners and Government to provide service delivery and to reconstruct the country after more than 30 years of war.

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IDS Global Case Studies

International Development Services

KPMG INTERNATIONAL

1. Public Sector Reform and Performance Improvement

1.1 Eastern Europe – Business Process Restructuring for Unified Tax Collection and Social Security Contributions at the Bulgarian National Revenue Agency

KPMG provided advisory services to the Bulgarian National Revenue Agency over a four-year period to improve and streamline the business processes of the Agency. We assisted the Agency to develop and implement new coordinated business processes throughout the country and to introduce a business processes management and quality assurance system. The knowledge transfer and training provided by KPMG helps to ensure the sustainability of the initiatives and overall strengthening of the capacity of the National Revenue Agency to provide quality services.

1.2 Africa – Public Sector Reform in the Mozambique Ministries of Health, Public Works and Housing, and Women and Social Affairs

Within the framework of public sector reform and decentralization in Mozambique, KPMG was awarded three important World Bank funded assignments to assist the Government in implementing their Public Sector Reform Program. We carried out functional analysis and restructuring of the three Ministries in accordance with the methodology prescribed under the National Public Sector Reform Strategy. We mapped existing institutional structures, and identified and defined functional responsibilities, the chain of command, administrative responsibility, and accountability therein. We designed and implemented the restructuring plans including the strategy for business processes involving financial management, business effectiveness, and change management.

1.3 Eastern Europe – Reorganization of the Public Enterprise for Housing and Business Premises Management of the Republic of Macedonia

The Public Enterprise for Housing and Business Premises of the Republic of Macedonia manages the construction, maintenance, and sale of housing and business premises throughout the country. KPMG has helped with the overall reorganization and administrative restructuring and assisted with the institutional assessment and strategic planning of the future development of the Enterprise. The goal is the creation of a profitable new entity with the same staff, operating successfully in a “for-profit” environment.

1.4 Africa – Strengthening the Capacity of Civil Service Organizations in East Africa

Over a three-year period, KPMG provided an extensive range of strategic planning, financial, and human resource management capacity strengthening services to more than 20 civil society organizations in East Africa funded by the Ford Foundation. The initiatives they addressed ranged from the development of film, theatre, and the arts to wildlife conservation, refugee services, human rights, democratic governance, and women’s AIDS support groups.

1.5 Eastern Europe – Institution Building Support to the Energy Regulatory Office of Kosovo

We provided technical assistance to strengthen the institutional capacity of the Energy Regulatory Office (ERO) of Kosovo and developed a sound and stable regulatory framework necessary to facilitate market operation based on principles of objectivity, transparency, and nondiscrimination within the Energy Community of Southeast Europe.

KPMG helped to develop new market models and market rules, and to perform the tasks necessary to make these fully operational with respect to the existing rules, management, procedures, and operations. In addition, KPMG provided training to the staff of ERO to build the necessary skills and expertise to handle their new tasks and issues.



1.6 Africa – Strategic Planning for the Government of Kenya

For six months, KPMG worked closely with the Government of Kenya to facilitate the development of strategic plans for four government ministries as part of the government's Civil Service Reform Program. In this important work, we employed our rigorous Public Strategic Planning Methodology to help ensure that the plans were driven by thorough research and consensus was built across stakeholders.

2. Private Sector Development

2.1 Africa – Agricultural Development

The Africa Enterprise Challenge Fund is a US\$50–100m private sector fund backed by some of the most reputable names in development finance including the African Development Bank (AfDB), Consultative Group to Assist the Poor (CGAP), UK Department for International Development (DFID), International Fund for Agricultural Development (IFAD), and Netherlands Ministry of Foreign Affairs (NMFA). It is a "Special Partners Initiative" of the Alliance for the Green Revolution in Africa (AGRA).

The Fund focuses on the agribusiness sector, supporting access to financial and information services for this sector, specifically targeting people living in rural areas in general for agriculture and agribusiness enterprises in particular.

Private capital for new agriculture projects is limited and often disbursed in a nontransparent way. This new Fund encourages new private sector agriculture projects on the basis of fair and transparent competition.

KPMG acts as "Fund Manager" working with other consultants and procurement specialists to help ensure the fund operates smoothly. Its role includes receiving applications, screening them, marketing the Fund, Web site design and management, as well as reporting to the Governing Council and Investment Committee.

2.2 Asia – Strengthening Trade Associations in China

Trade Associations in China constitute a key part of its transition from a centrally planned to a market based economy. We assisted a trade association to design a new business model and the related business processes to sustain it. Subsequently, we carried out a compliance and internal control review of the association, to ascertain the effectiveness of its internal controls and reporting mechanisms and thereby to give an opinion of its organizational strengths and weaknesses.

2.3 Africa – International Finance Corporation (IFC) Survey in 13 Countries

KPMG conducted mapping exercises for several industry sectors and subsectors in various countries in sub-Saharan Africa. The goal was to assist the IFC in gaining a better understanding of the fundamentals and dynamics of each sector and subsector, as well as to identify in these sectors and subsectors those companies that may be attractive targets for long-term financing support from the IFC.

2.4 Eastern Europe – Services to Banks in the Balkans

We provide a wide range of services to banks across the Balkans, including due diligence engagements for banks in Bulgaria, Serbia, Albania, and Macedonia. In addition, KPMG has conducted reviews of the effectiveness and efficiency of the internal control systems of a number of banks in Bulgaria, assisting them to establish up-to-date and effective procedures.

3. Audit and Assurance Services

3.1 Asia – Mid-term Financial and Program Assessment of HIV/AIDS Initiative for Children in India

An international foundation launched an initiative in the Indian state of Maharashtra to increase access to antiretroviral treatment, pediatric care, and supplementary nutrition for children suffering from HIV/AIDS.

KPMG visited 10 NGOs implementing this program and evaluated their financial and program management and reported their findings and recommendations to the foundation thereby assisting the initiative to assess its impact and gain an independent view on how operations could be made more efficient and effective in India.

3.2 Asia – Supporting Donor, Program, and Regulatory Authorities in Vietnam

We performed external audits of projects and programs for dozens of donors in Vietnam. Additionally, we assisted donors to improve planning and budgeting processes of individual programs and organizations they have funded and assessed the extent of the coordination of the processes with the regional authority's own planning and budgeting processes. This multipronged approach strengthens the overall impact and sustainability of interventions by building financial management capacity at all levels including the donor, program, and regulatory levels.

3.3 Eastern Europe – Pre-Grant Evaluation of the Capacity of the Bulgarian Ministry of Culture and UNDP to Implement the Global Libraries Initiative

We conducted a pre-grant evaluation of the readiness of both the Ministry of Culture in Bulgaria and UNDP to utilize funds provided by the Bill and Melinda Gates Foundation under its Global Libraries Initiative. The Global Libraries Initiative includes a 12-month planning process leading to the preparation of a three- to five-year program for Bulgaria.

KPMG performed a thorough assessment of the systems, policies, procedures, legal status, and previous experience of both the country office of UNDP in Bulgaria and the Ministry of Culture to provide assurance that they had adequate capacity for the successful implementation of the Global Libraries Initiative in Bulgaria.

3.4 Africa – Commodity and Basket of Funds Audits

We have conducted specialized as well as general audits of donor funded projects across Africa for many years. For example, as well as providing financial management and controls for several aid projects in Southern Sudan, KPMG has carried out commodity audits for an international initiative to treat trachoma. Additionally, KPMG has performed several audits of emergency food aid to famine-stricken regions in Ethiopia.

3.5 Latin America – Financial Statement Audits

KPMG has carried out a specific financial audit on the funds provided by the International Development Association and administered by 43 Mayoralties and the INIFOM Regional Offices. This included physical inspection of civil work subprojects, as well as audits of the compliance with internal controls, operation guidelines, and credit agreement terms. The work was performed to assist the rural municipalities to overcome emergency problems caused by Hurricane Mitch.

4. Program and Project Services

4.1 Global – Improving Governance and Transparency

We are currently implementing the global UK£130 million Governance and Transparency Fund initiated by the UK Department for International Development (DFID). The Fund addresses the demand side of governance by strengthening civil society and the media to help citizens in the developing world to hold their governments to account. KPMG's role involves screening expressions of interest from civil society organizations, managing the application process, and appraising submissions prior to DFID's final approval for funding. We subsequently disburse the funds and monitor the progress of the intervention to assess whether the objectives have been achieved and lessons learned from the process.

4.2 Global – Fund Monitoring Services

For the Global Fund to Fight AIDS, Tuberculosis, and Malaria, KPMG has provided funding monitoring services for the past seven years for more than 37 countries. KPMG acts as Local Fund Agent, performing capacity assessments of the "Principle Recipients," or PRs, in the countries and to monitor the PR's activities once the programs are operating.

The main aspects of our work to date cover:

Initial assessments. We assess each PR, focusing on five aspects—financial management and systems, program management capacity, procurement and supply management, monitoring and evaluation, and sub-recipient management—in accordance with the Global Fund required minimum capacities; we report to the Global Fund on these assessments, advising on the PR's readiness for grant implementation, its system's weaknesses, and our recommendations; we assist in grant negotiations and recommend conditions that need to be included in the grant agreement; and we assess and report on the completion of each set of conditions.

Implementation monitoring. We advise the Global Fund on the progress of grant implementation, financial accountability, and other aspects of each program; we check the PR's disbursement requests and annual reports, to help ensure they are complete, realistic, and logically consistent; we report on disbursement and implementation including funding recommendations, highlighting achievements and constraints, and recommendations for actions and solutions; and we provide support as needed to the Global Fund regional representative.

Mid-term and end-term reviews. These reviews are conducted after a grant has been operating for 18 months or when the project has applied for continued funding at the end of the grant. Our reviews address the same aspects of the PR as the initial assessments, while taking account of the results of the grant to date. We advise the Global Fund whether the grant should be continued and whether any additional conditions need to be added to the grant agreement. We assist the Global Fund in negotiating the agreement for the remaining life of the grant.

4.3 Asia – Monitoring & Evaluation of HIV/AIDS Intervention in India

In Maharashtra State, an international foundation implemented a national child food and health program to assist more than 10,000 rural and urban based children to receive comprehensive pediatric care and treatment by linking them to antiretroviral treatment centers and providing the drugs, supplemental nutritional support, psychosocial support, and follow-up required.

In addition to assessing the implementing partner prior to funding, we also supplied the foundation with financial and health experts who conducted a detailed and sensitive review of the financial operations and program