

Pathfinder International: Fiduciary Agency Model

INTRODUCTION TO PATHFINDER'S FIDUCIARY AGENCY MODEL

An emerging global consensus tells us that to strengthen aid effectiveness¹ and achieve resilient health systems there needs to be national and local ownership of the development process, and each government must be accountable to donors for the use of donor funds. Yet many host governments² are not prepared to fulfill this ownership responsibility to donor expectations. Pathfinder International's Fiduciary Agency Model addresses this problem by acting as an intermediary, managing the government's donor funding in the short to medium term while acting as a partner and advisor to the host government to improve their readiness to deliver on major donor contracts. **Pathfinder's model for fiduciary relationship increases government accountability for and ability to deliver on results and transforms donor support from being external aid to tackle specific problems to one of global investment in strengthening a country's ability to meet its population's social programming needs.**

Pathfinder partners with host governments and ministries of health in creating efficient, sustainable, and impactful health programs, through a proven approach to transitioning from fiduciary agency to a government's autonomous management of donor funds and activities. Through this approach, Pathfinder supports public financial management capacity, improving programmatic design through collaboration, while building necessary donor reporting capacity and compliance skills within the ministry. Our model seeks to overcome barriers to the successful realization of local ownership and accountability.

WHAT THE MODEL OFFERS

Pathfinder's Fiduciary Agency Model consists of an overarching fiduciary function designed to provide a flexible transition framework to facilitate and develop a strong relationship between the donor and the local entity, and prepare those entities for program leadership and direct relationship with the donor. The model offers a suite of services that can be deployed based on the needs of each context.

The core function of the model is Pathfinder's fiduciary role in stewardship of donor funds directly to the government or local entity. As the fiduciary agent, Pathfinder acts as an intermediary to manage funds, ensuring compliance to donor and government requirements. Pathfinder's experience, elaborated below, makes this approach appropriate for management of donor-third party relationships, as well, such as private organizations and local civil society organizations.

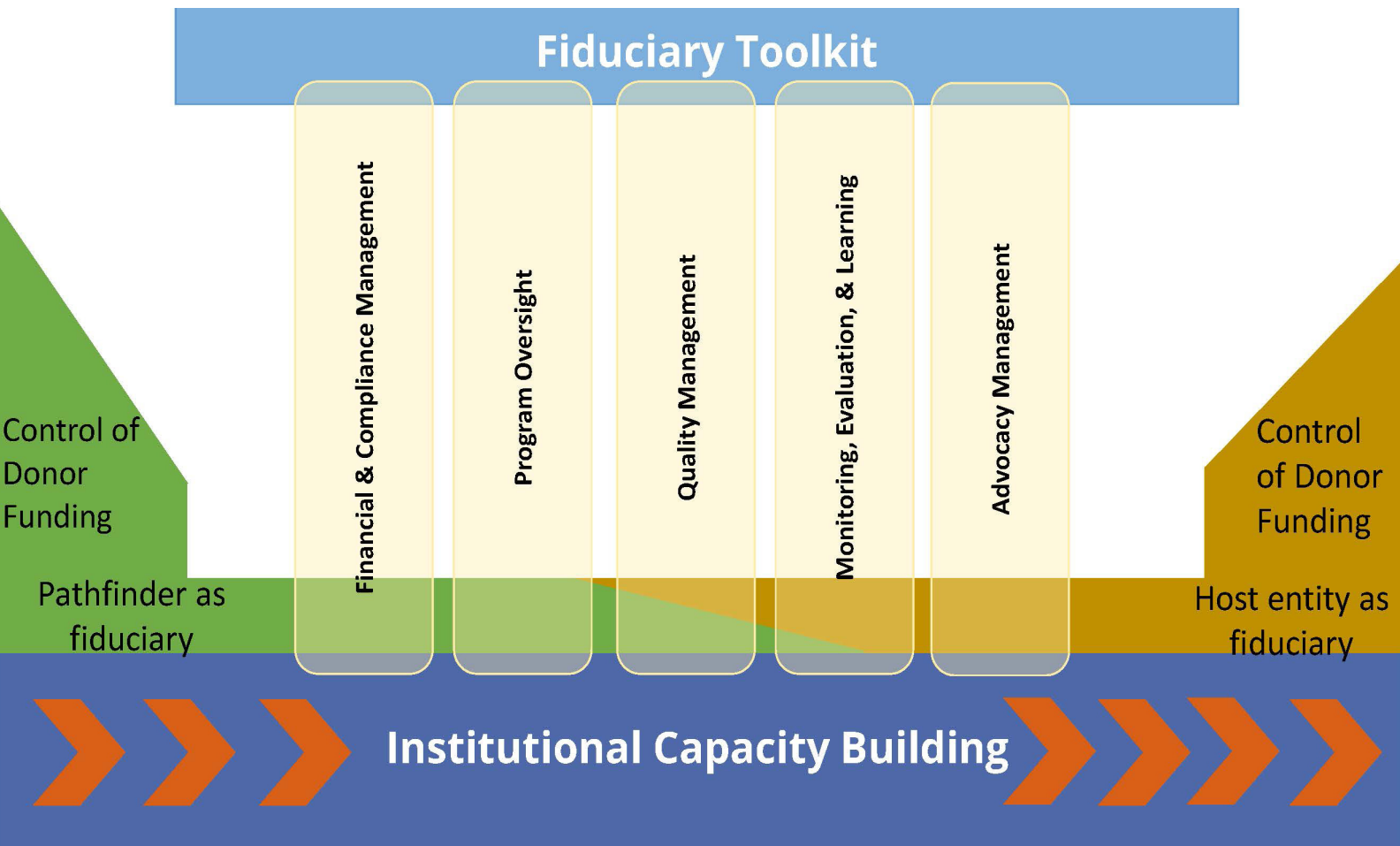
Equally important is Pathfinder's role in institutional capacity building. Over a specified timeframe, Pathfinder develops a core of government financial managers and leaders with skillsets and vision for effective leadership of large programs that correspond with donor requirements and the government's internal protocols. Each application of the model will establish clear milestones that govern the timeframe and momentum of capacity building that transitions fiduciary control from Pathfinder to a direct relationship between the donor and the government.

WHAT IS A FIDUCIARY?

"A fiduciary is a person or organization that acts on behalf of another person or persons, putting their clients' interest ahead of their own, with a duty to preserve good faith and trust. Being a fiduciary thus requires being bound both legally and ethically to act in the other's best interests." ([Investopedia](#))

¹ [Center for Global Development](#)

² Governments that receive funding from global donors.



Linked to the core function, Pathfinder offers a package of services that can be configured to the needs of the context. As the donor requires, Pathfinder can add the following components to core activities, which can run sequentially or concurrently, depending on the customized design:

- Institutional and Governance capacity-building activities that shift the responsibility for program management to the government over a defined timeline.
- Financial & Compliance Management: oversight and safeguarding functions, including ensuring pay for performance; reviewing programmatic and financial performance to donor expectations and agreements; partner grant, contracts, and procurement strengthening and management; and, reporting with a focus on value for money. Pathfinder has strong compliance and internal audit functions that include risk management and mitigation, and strengthen partners' understanding of how to build effective controls for successful compliance and overall program implementation.
- Performance, monitoring, evaluation, and learning activities, including audit, program evaluation, cyclical monitoring of program activities and outcomes, data collection and data audit, dashboarding, and continuous learning and adaptation initiatives.
- Quality support activities in line with international best practices, including policy and standard-setting and alignment, continuous quality improvement activities, and innovation development systems (prototyping, beta testing, etc.).
- Advocacy skills development, including advocacy training, issue analysis, coalition building, and government accountability tools and methods.

As the host entity develops skills and a core group of programmatic and financial leaders, fiduciary control shifts from Pathfinder to the host entity, until the host entity becomes fully empowered as the donor's fiduciary at the end of the process.

PATHFINDER'S EXPERIENCE WITH THE MODEL

This model builds on Pathfinder's global model of local leadership, with country leaders and teams coming from the communities they serve. Our experience accompanying governments and local organizations to build their capacity through the delivery of impactful health programs have benefited millions of women and their families. Pathfinder has implemented the Fiduciary Agency role in Burkina Faso, where it acts as fiduciary of the Burkina Ministry of Health's 12-year initiative to establish universal health coverage. We have acted as Fiduciary Agent to the Gates Foundation in the oversight of the CORUS project in Burkina Faso to establish emergency health response services throughout the country. We have also begun to act in a Fiduciary Agent role in support of a Women's Innovation Facility in Senegal, providing rapid homegrown personal protective equipment solutions to the country's COVID-19 crisis through a private-sector firm and the Ministry of Health. In each of these approaches, Pathfinder has exercised financial control and provided risk management and strong fiduciary stewardship to donors, helping them unlock greater impact while building government capacity.

ENGAGING PATHFINDER'S MODEL

Engagement with Pathfinder to play this role requires initial consultative meetings to establish the Fiduciary Agency package, negotiation of timeline and budget, and final sign-off of workplan and budget. Pathfinder will update the donor regularly to ensure alignment of direction and expectations. Pathfinder requires substantive consultation with the government to ensure readiness and feasibility of plans before engagement.

Fiduciary Agency is an effective set of tools, which, if deployed in the appropriate combination, will bridge the gap between the current focus on aid and the future goal of investment in countries' future socio-economic success. Pathfinder has seen how this new approach creates new opportunities to transition a country's disparate projects to locally owned programs that meet the country's goals for health and well-being.

OUTCOMES OF MODEL

Some of the outcomes of this model are:

1. Assurance that both parties, the Ministry of Health and Pathfinder, have a clear understanding of their respective roles and responsibilities via a memorandum of understanding.
2. Adaptation of Pathfinder's approach to support the Ministry of Health's system, ensuring the Ministry of Health maintains leadership of the program and deliverables, while remaining compliant with donor policies, procedures, and requirements.
3. Provision of technical support to the Ministry of Health in reproductive health, financial and grants management, and overall project management.
4. Increased capacity of the Ministry of Health to work toward Pathfinder's overall project and financial management standards by:
 - i. Developing and rolling out a manual of operations in accordance with the government and donor requirements, and continuing to promote its adherence.
 - ii. Continuing to strengthen government's compliance framework for accountability.
5. Quality assurance and control of program and financial deliverables and solid project management, while adhering to donor compliance requirements.
6. Strengthened transparency and timeliness of procurement processes for efficiency and effectiveness.

Pathfinder International is driven by the conviction that all people, regardless of where they live, have the right to decide whether and when to have children, to exist free from fear and stigma, and to lead the lives they choose. As a global health organization with locally led, community-driven programs, we support women to make their own reproductive health decisions. We work with local partners to advance contraceptive services, comprehensive abortion care, and young people's sexual and reproductive rights in communities around the world—including those affected by poverty, conflict, climate change, and natural disasters. Taken together, our programs enable millions of people to choose their own paths forward.