Effectiveness of Donor Aid: The case of Uganda

Freddie Ssengooba, Elizabeth Ekirapa, Suzanne Kiwanuka, Sebastian Baine

Makerere University
School of Public Health
Outline

- Background
- Objectives
- Methods
- Findings
- Recommendations
Background

- Huge amount of donor funds have been flowing into the country because of the HIV/AIDS pandemic.

- The amount of donor funding gradually increased to almost 50% of the health sector budget by 2005/6, has now decreased to about 36%.

- Different implementation designs raises concerns about the effectiveness of this aid.
Health Sector budget: Uganda Govt. and External funding (2001/02 – 2005/06)

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>GoU funding (bn, UGX)</th>
<th>Donor Projects (health)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>65.4</td>
<td>70.8</td>
</tr>
<tr>
<td>2001/02</td>
<td>82.3</td>
<td>97.0</td>
</tr>
<tr>
<td>2002/03</td>
<td>75.9</td>
<td>104.8</td>
</tr>
<tr>
<td>2003/04</td>
<td>90.2</td>
<td>106.9</td>
</tr>
<tr>
<td>2004/05</td>
<td>84.8</td>
<td>126.9</td>
</tr>
<tr>
<td>2005/06</td>
<td>147.4</td>
<td>126.2</td>
</tr>
</tbody>
</table>

Source: Ministry of Health Annual Sector Performance Reports  * Under reporting of donor project funds disbursed
Uganda National HIV/AIDS Funding (USD Millions)

Source: Lake, “Sector Based Assessment of AIDS Spending in Uganda 2006.”
PEPFAR Programs

Key PEPFAR mechanisms

- Target driven (ie 2-7-10)
- Huge funds to spend – with ear-marks
- Cream-skimming for implementation capacity
- Vigilance in supervision, information systems & M&E
- Unpredictable funding over the medium-term
Key Global Fund mechanisms

- Initially “Hands-off” funding instrument
- Works with government and Private sector
- “Products”- oriented funding (drugs, condoms, nets)
- New institutional arrangements are conditional
  - CCM, PR, ROs & LFA,
  - Public-private Partnership
MAP programs

Key MAP mechanisms

- Funds (loan) usually assured for 5 years
- Low percent contribution to national funding levels
- Multi-sectoral approach to HIV
  - Public sector, CSO and for profit sector
- Expansion of community-based response to HIV/AIDS:
  - “cultivates” more CBOs
  - Provide incentives for big CSO to help young ones
- Support the National Aids Councils
Paris Declaration for Effective Donor Funding Systems

Aid Effectiveness Principles

Ownership
Alignment
Harmonization
Results
Accountability

Six Key Practices of Donor Funding

Working With the Government
Building Local Capacity
Keeping Funding Flexible
Selecting Recipients
Making the Money Move
Collecting/Sharing Data

Effective Funding Systems and Procedures
Objectives

- To assess the consistency of PEPFAR, MAP and the Global fund with the tenets of the Paris Declaration on Aid Effectiveness.

- To examine how each agency works with the government; selects recipients; builds local capacity; makes the money move; keeps funding flexible; and collects and shares data.
Methods

- Document reviews, observations at meetings, and interviews and financial data analysis.
- Interviews with SRO, RO donors and government officials.
- K.I’s selected using snowballing technique.
Working with the government

- MAP and global fund were designed in country by local technocrats.
- PEPFAR was mostly designed with minimal input from the country technocrats.
- MAP & GF tended to use existing govt structures.
- Most of the donors used public infrastructure for delivery of ART’s and PMTCT services. Global fund directly, while PEPFAR indirectly (through SRO’s).
- All donors now working with UAC -SCE,NPF
Implications for effectiveness

- Fragmented implementation (packages & coverage) of the national plan because of the numerous providers.
- Targets approach compromised other approaches like the holistic approaches of AIM and UPHOLD.
- Duplication of efforts when comparative advantage of different donors not used by government.
- Government systems are strengthened when used.
- Efforts to align and harmonize donor implementation activities likely to be fruitful in the long run.
- Main setback with government systems is corruption, lack of enforcement of regulations.
Selecting recipients

PEPFAR

- Worked with CSOs
- Selection done by bidding so they selected the most established organizations as well as international organizations.

Global Fund (MAP)

- Selected Districts, Gov ministries and CSO’s
- Pressure and speed to implement start-up grants
  - Little time for MOH/PMU to setup systems
  - Little capacity to verify grant applicants
  - weak lead-agencies
Implications for effectiveness

- Needs of the pop may not be met adequately because capacity to implement is the driving factor not needs.
- Donor top ups for public sector staff leads to reduced commitment in the delivery of non–HIV/AIDS services.
Implications for effectiveness

- Well established organizations are able to deliver services to the community unlike the weak/younger organizations.

- Missed opportunities for promoting the effectiveness of the public sector

- Double dipping of recipients likely. Inefficiency and reduced coverage.
Making the money move/ Flow of Funds

PEPFAR
- Disbursements to recipient organizations (RO) were quick and timely, slower from RO to SRO’s.

Global FUND
- Disbursements were slow, irregular in timing and amount.

MAP
- Disbursements were slow at times - Gov bureaucracy, small team at PMU, quarterly nature
Implications for Effectiveness

- Disbursement delays (Bureaucracy, delayed reports)
  delay in implementation ➔ delay in reporting
  ➔ delay disbursement (a vicious cycle?)

- Short funding cycles and unpredictable funding do not allow implementation of long term objectives
Keeping funding flexible

Budget support- aid channelled through national budget has improved.

PEPFAR

- Global earmarks drive funding allocations, regardless of country-specific epidemiology and health systems capacity.

Global Fund and MAP

- Funding channeled through government however the ear marks make the funds unflexible.
Implications for effectiveness

- Sector ceilings reduce amount of funding available for the rest of the sector.
- Ring fencing of funds has meant that the three diseases receive a huge contribution while other areas of the sector do not receive adequate funding.
- Coverage is patchy because only selected recipients receive the funds.
Building local capacity

PEPFAR

- Capacity building limited to big NGO & some public providers capable of generating the targets
- Capacity building focused on:
  - Information, M&E and administration.
  - Training staff for new HIV services
  - Laboratories for testing and ART
Building local capacity

Global Fund
- Did not build a lot of capacity among implementers (quick start, suspended funding)

MAP
- Cultivating capacity in underserved areas
  - Training as part of the proposal/plan development
  - Support provided for weak stakeholders to improve
Building local capacity

- Built capacity for implementing HIV/AIDS interventions in government systems
- Expanded community response to HIV/AIDS
  - More CBOs supported with organizational development activities.
Implications for effectiveness

- Too many middle-men & heavy admin. costs
- Little capacity built among new young and national CSO’s Competitive (RFP restricts entry of new & national CSOs)
- Achieving results more of a priority than building capacity
- Short funding cycles limits gain that could be achieved eg among CBO’s)
Collecting and Sharing data

PEPFAR
- Well funded and centralized M&E has generated capacity to monitor outputs of HIV programs although it is limited to PEPFAR targets and reporting requirements.
- Instrumental in sero-behavioural surveys and revision of HMIS at MOH to incorporate HCT, ART and PMTCT.
- Provided technical assistance for, software and hardware to enable data capture processing and dissemination.

Global Fund
- Used existing HMIS
- Information systems capacity development - not a priority till later proposals included a component to fund HMIS.
Collecting and Sharing data

MAP

- Main contribution was training programs for M&E (CBOs) and supporting district structures to collect and report.
- Introduced LQAS to measure coverage and target achievement.
- Focussed on information related to the programs it funded and not other donors.
- Initially no facilitation in form of budgetary allocations to HMIS work.
Implications for effectiveness

- Increased data collection burden - errors, incomplete data, under reporting of HMIS.
- Harmonization of data collection patchy and uncoordinated.
- Government HMIS has not benefited significantly because donor designed IT solutions self serving.
Recommendations Donors & GOV

- Need to build capacity for long-term implementation.
  - Cultivate new and young CSOs
  - Strengthen capacity of national CSOs
  - Invest in organizational systems for public providers
  - Increase CSO cooperation and reduce competition
  - Cluster implementers under strong Lead agencies
Recommendations Government and donors

- Dedicate funds to strengthening the health system.
- Focus on building and measuring systems capacity:
  - Set milestones for system capacity development
  - Support public sector capacity and systems
  - Streamline service information and its flow and financial data disclosure
Recommendations Government

- Re-examine the setting of sector budget ceilings
- Government to use comparative advantage of donor funding to strengthen health system
- Build effective stewardship and monitoring of aid flows for the national AIDS responses
Recommendations Government

- Create sector specific information systems
- **Invest in IT systems to reduce data burden on workforce**
- Learn from best practices (PEPFAR’S MEEPP)
- Standardise practices on incentives for data collection.
- **Pool funds for M&E at national level**
Recommendations Donors

- Improve assurance of funds for programs:
  - Adopt 2 to 3-year cycles for Country Operational Plans
  - Reduce disbursements to twice a year so that there are sufficient funds for the implementers
- Reduce earmarks on funds given through government support.
- Selection mechanism should be equitable, transparent, well planned.
- Biannual reporting could assist implementers to focus on activities and not on reports.
Acknowledgement

- CGD HIV Monitor team
- Partner countries
- Staff from MUSPH
Comments are welcome!