

Effectiveness of Donor Aid: The case of Uganda

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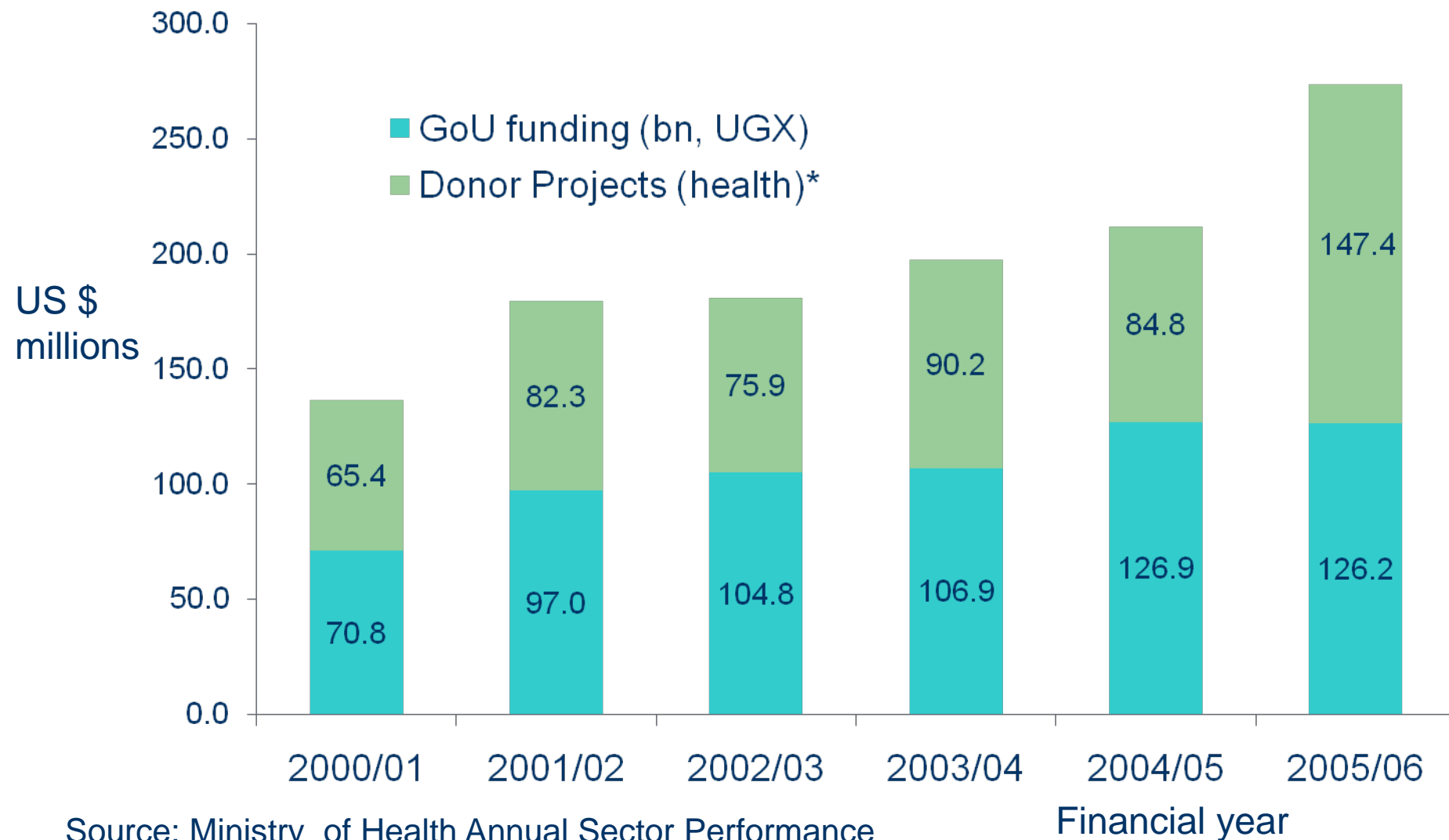
Outline

- Background
- Objectives
- Methods
- Findings
- Recommendations

Background

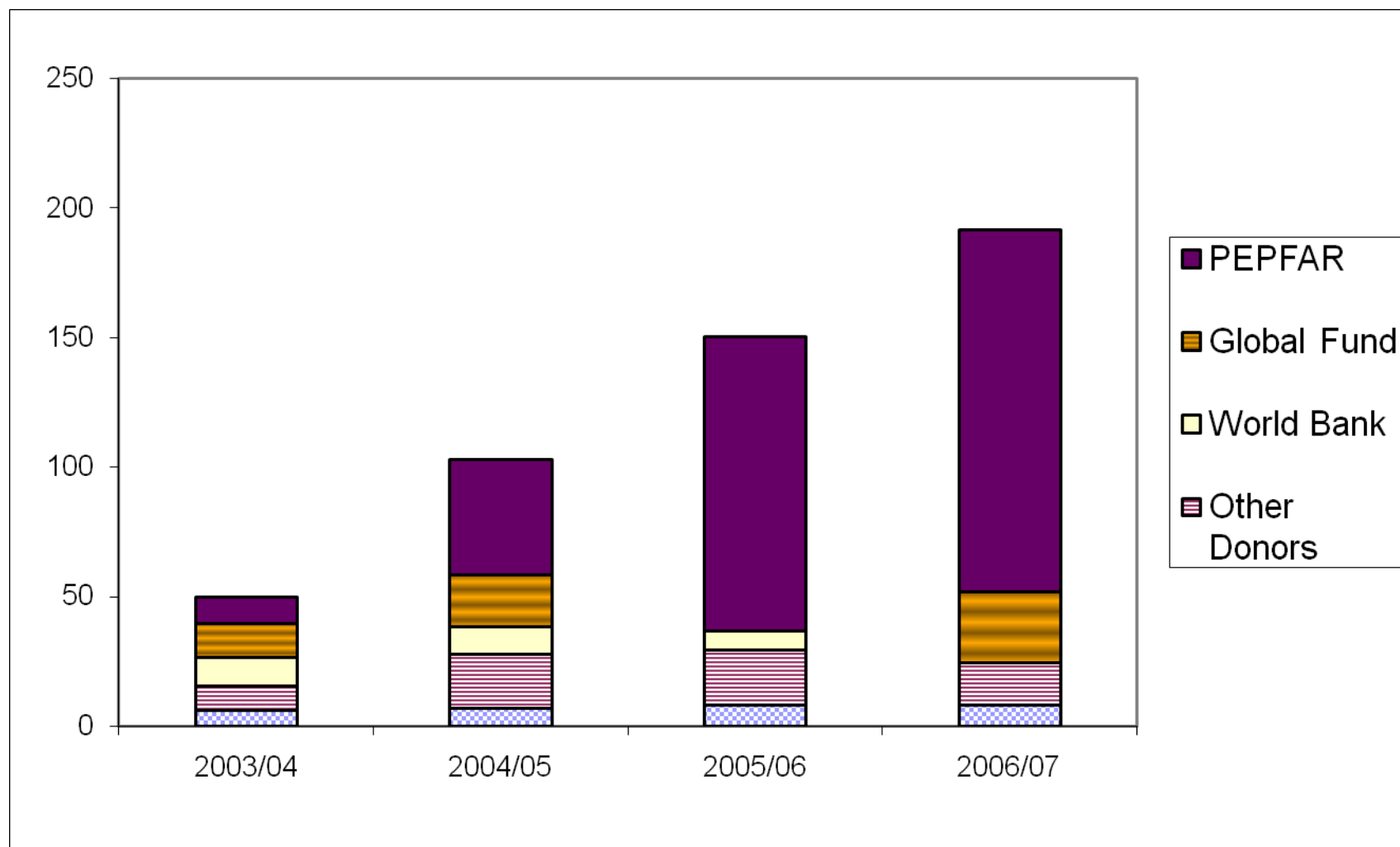
- Huge amount of donor funds have been flowing into the country because of the HIV/AIDS pandemic.
- The amount of donor funding gradually increased to almost 50 % of the health sector budget by 2005/6, has now decreased to about 36%.
- Different implementation designs- raises concerns about the effectiveness of this aid

Health Sector budget: Uganda Govt. and External funding (2001/02 – 2005/06)



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

Global fund

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

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Building Local Capacity

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Keeping Funding Flexible

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Selecting Recipients

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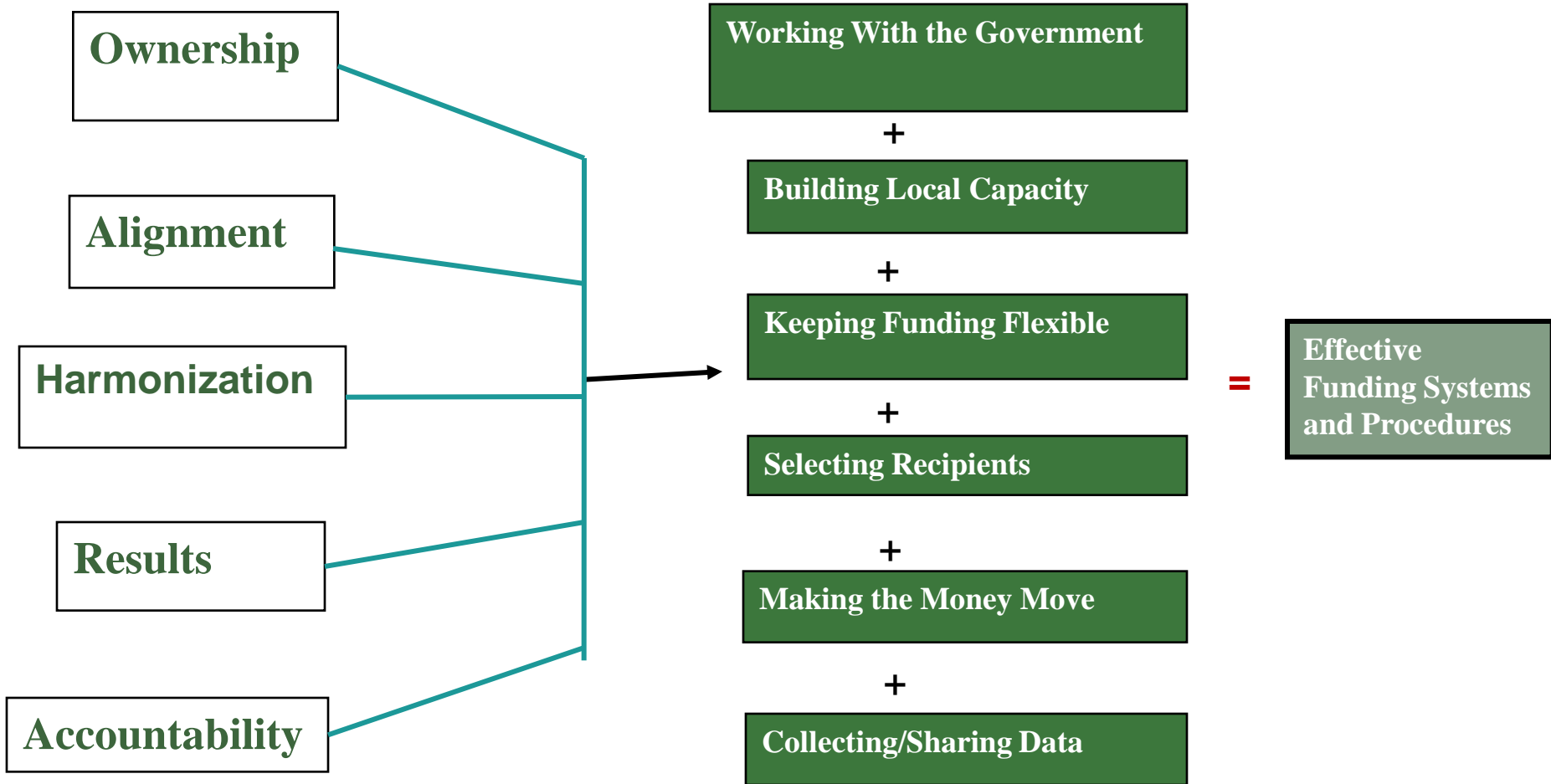
Making the Money Move

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Collecting/Sharing Data

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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 snow balling 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
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Comments are welcome!

