

HIV/AIDS Public Expenditure Review

2007/08-2008/09

-draft report version May 12th

DPG Health / DPG AIDS June 1, 2010

Outline of the presentation

- Why a PER is important for HIV/AIDS
- Methodology
- Main findings and observations
- Recommendations
- Suggestion for the next PER process

Why is PER important for HIV/AIDS?

The PER provides answer regarding

- how much is spent on HIV/AIDS
 - how expenditures are financed
 - what is financed
 - how the national response is performing and if it is sustainable
- *The answers may provide reasons to change policies and way of implementation of the national strategy*

Methodology

- Extraction of all Government expenditures on objective A, including regions, LGAs, whole budget of TACAIDS (obj A and all other objectives)
- Data (over 70 000 entries) of GoT's approved budget and recorded outturns (actuals) of 06/07, 07/08, 08/09 and approved budget for 09/10
- Foreign funds are calculated from data provided by DPs (not verified by AMP)

Methodology, cont.

- Foreign funds converted to Tshs (exchange rate of the 31st of Dec each year)
- Different financial years: disbursed funds 2007 have been attributed to FY 07/08
- The PER combines recorded data with information obtained through interviews or from documents

MAIN FINDINGS AND OBSERVATIONS

PER 2008

- FY 2006/07, presented February 2008
Rapid growth of donor funding = 10% of all public expenditures = 3% of GDP = 1/3 of all aid to TZ
- Care and Treatment received approx 60-70% of all available resources
- 77% of expenditures was off-budget, 23% on-budget
- 84% of foreign funds came from GFATM and PEPFAR

PER 2008

Recommendations

- 24 recommendations: majority are still relevant
- Almost 60% are on-going but further enforcement needed for implementation
- Assessment and remarks presented in appendix V in the report

PER report

- Present situation of the epidemic
- MKUKUTA indicators and underlying processes
- Framework: policies and M&E
- NMSF: concepts and objectives
- Performance

PER report

- Government (MDAs, RASs, LGAs)
 - Development partners
 - Civil society
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- *Who, how much and on what?*
 - *Aligned with national policies?*
 - *Are funds predictable?*
 - *Is the approach sustainable?*

Government's Expenditures on HIV/AIDS

Tshs B	FY 06/07	FY 07/08	FY 08/09
Total GoT expenditure	62	88	87
- <i>Of which local financed</i>	22	23	14
- <i>Of which foreign financed</i>	40	65	73

GoT's spending: how accounted and financed?

%	Budget 07/08	Actual 07/08	Budget 08/09	Actual 08/09
Development Expenditures	85%	80%	79%	88%
Recurrent Expenditures	15%	20%	21%	12%
Local financing	20%	26%	24%	16%
Foreign financing (Aid)	80%	74%	76%	84%

GoT's spending on HIV/AIDS

- Increased allocation with 2% since 07/08 but no change in actual HIV/AIDS expenditures
- Decreased HIV/AIDS share of Government's total expenditures from approximately 2% to 1,5%
- Execution level decreased from 86% (06/07) to 62% (08/09) of the original budgeted
- MoHSW largest share, increased from 50% (06/07) to 59% of actual HIV/AIDS expenditures
- TACAIDS decreased share, from 27% (07/08) to 22% (08/09) of actual HIV/AIDS expenditures

FOREIGN FINANCING (AID)

Foreign funds: on- and off-budget

- 90% of all foreign funding comes from two donors: GFATM 16% and PEPFAR 74%.
- Remaining 10% come from 13 other multi- and bilateral donors. Less individual projects over time in this group, instead aiming to mainstream HIV/AIDS into sector support, GBS or CSO-pooling. Small but politically significant donors

Foreign funds, cont.

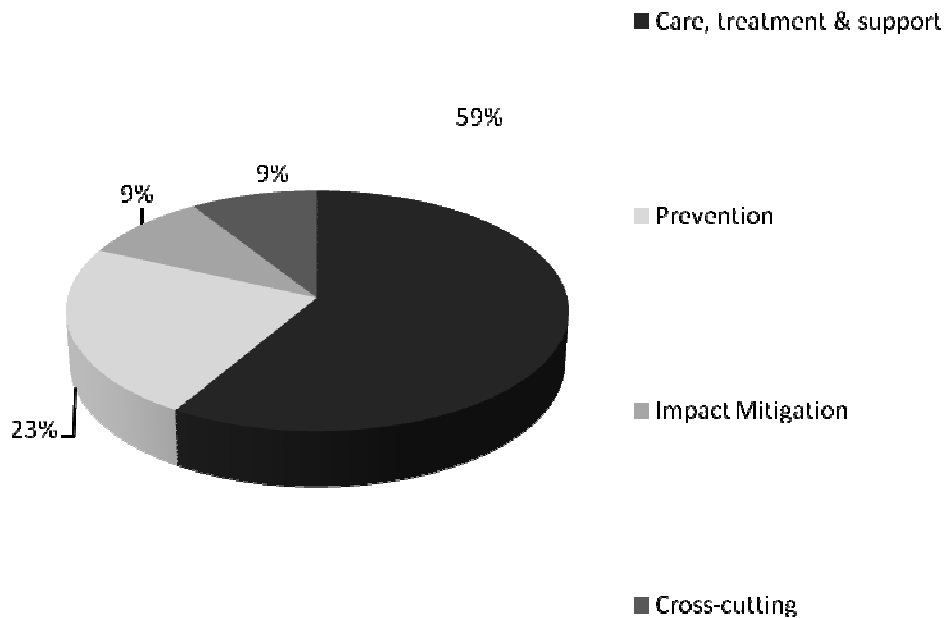
- The foreign funds show increased predictability: higher share of committed grants are disbursed and commitments last longer.
- Given the off-budget nature of a large part of the foreign funds, this chunk can be regarded as very little transparent
- Since the off-budget funds are not subject to parliamentary scrutiny (as other budget items) the domestic accountability is restricted

What is financed?

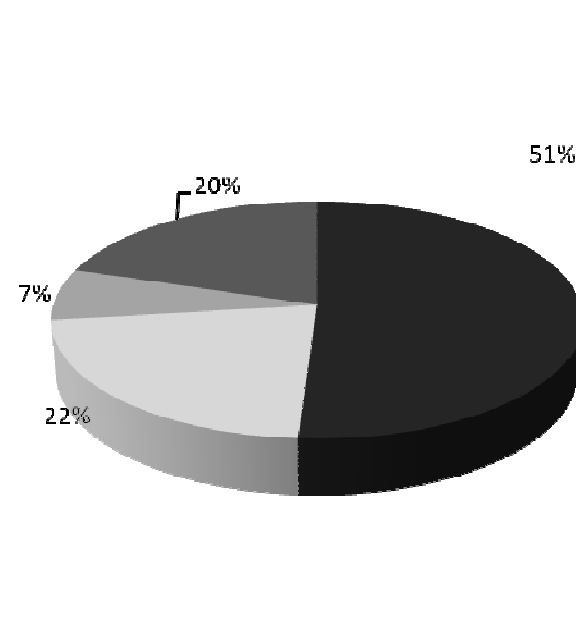
- Of the on-budget expenditure for HIV and AIDS: 66% medical supplies and services and 15% on allowances (13% domestic per diem).
- According to LGAs implementation reports of the NMSF Grant, expenditures are related to coordination, supervision, prevention and activities aiming to mitigate the impact. Proportions: ?
- According to MDAs implementation report of the TMAP grant, expenditures are related to WPP, care and drugs for staff or family members.

GFATM and PEPFAR areas of spending (off-budget expenditures)

Spending 2007-2009



Forecast 2010-2013

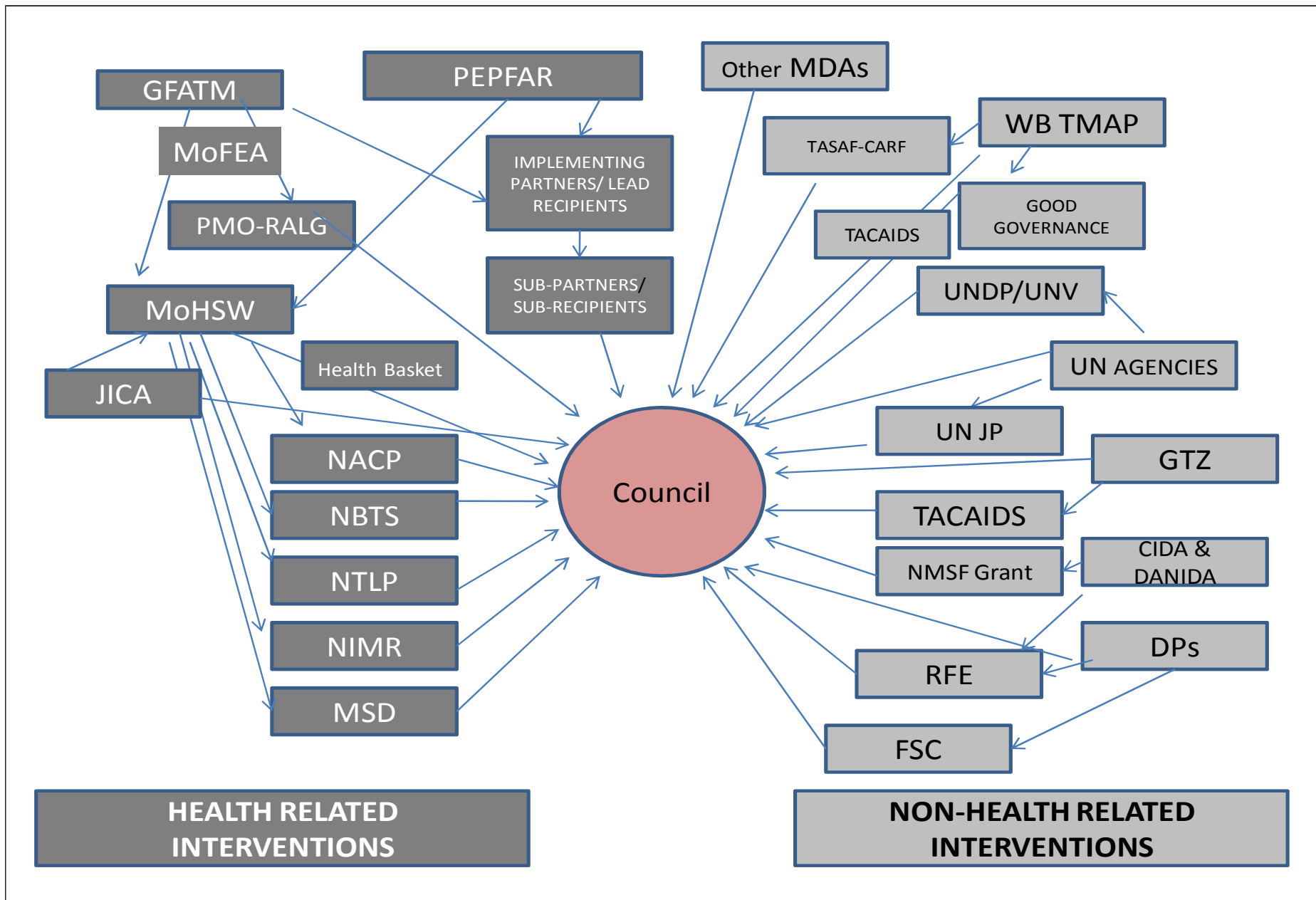


Total expenditures on HIV/AIDS (on- and off-budget)

Tshs B	FY 06/07	FY 07/08	FY 08/09
Total expenditures on HIV/AIDS, on- and off-budget	402	596	643
- <i>Total Aid for HIV/AIDS</i>	380	573	629
- <i>Domestic financed expenditures on HIV/AIDS</i>	22	23	14

Share of off-budget (all available resources)

Tshs B	FY 06/07	FY 07/08	FY 08/09
Total expenditures on- and off budget, Tshs	402	596	643
Off-budget	315	467	556
Share off-budget/total expenditures	78%	78%	86%



How is the civil society involved in the fight against HIV/AIDS?

Challenges

- Need wider acceptance for CSOs to take on both the role as service provider and advocate
- Difficult to exercise domestic control when sources and flows of funds are complex and divided
- Lack of reporting of activities carried out

How is the civil society involved in the fight against HIV/AIDS?

Improvements

- CSO are linked to MACs but claim to have low capacity to participate and influence
- Councils have re-initiated mapping of CSOs
- Increased number of national networks related to HIV/AIDS.
- A National CSO Forum is established

Performance and sustainability

- A cross-ministerial budget line, like objective A, allows MDAs, LGAs and RASs to plan and budget for HIV/AIDS interventions – UNIQUE
- A multi-sectoral and comprehensive strategic framework but the Government's major part of budget is allocated to the MoHSW and TACAIDS
- A problem seems to be the erratic and non-consistent budgeting and execution in the other line ministries. Budget execution on 62% and a variation from 90% under spending to 400% overspending – a challenge to plan

Performance and sustainability, II

- Short term sustainability when medical interventions and services attracts the main part of available resources – wont be a sustainable approach in the long run
- Several achievements but results are not yet reaching the national targets for 2010

The current available resource are not enough to meet the demand and fill the gaps. The current national response is not sustainable.

CONCLUSIONS

Conclusions

- The national HIV/AIDS response depends heavily on donors: 97% of interventions are financed by foreign funds
- National ownership is weak
 - financing (3% from domestic revenue)
 - off-budget
 - budget guidelines not followed
- The domestic accountability of HIV/AIDS expenditure is poor

Conclusions, cont.

- Increased predictability of foreign funding
- Increased allocation for enabling environment/cross-cutting/other issues
- Gap between estimated needs and available resources despite continued funding next three years
- Interventions are not addressing the underlying factors related to the social status of womens/girls

RECOMMENDATIONS

Recommendations

A. Strengthen the coordination

- integrate HIV/AIDS in all clusters in the revised MKUKUTA
- coordinators at all levels need resources and recognition and be linked to Finance/Planning
- provide guiding

B. Enhance the involvement of CSO

- encourage close work with MACs
- train them to be watch dogs
- accept both roles service provider and advocate
- identify longer term financing

Recommendations, cont. II

C. Increased financing and improved PEM

- make highest level aware of current expenditure levels and trends
- improve public expenditure management and enforce budget classifications
- increase domestic revenue
- share best practices/knowledge on income generating activities
- release grants in full and on time

Recommendations, cont. III

D. Increase transparency and predictability

- share information of current support
- REFUSE money off-budget (or assure that the off-budget is captured by system of exchequer dummies)
- Implementing partner must inform and communicate with concerned governmental body where they operate
- Commit support as long as possible and use GoT's system

E. Focus on prevention

- create incentives for prevention
- focus where the impact may be greatest
- address norms
- tailor interventions (gender, geographical)
- address institutional weaknesses

The PER 2010

Strengths

- Continuity: a PER every second year
- Inclusive of CBOs, CSOs and Councils
- Broad experience of PER Team

Challenges

- TACAIDS showed good involvement at field but less to report writing, data collection/provision. DPs: the opposite
- Necessary documents/records not always available
- Good to visit many LGAs but be aware of the limited data they have

Suggestions for next PER process

- Encourage a JOINT review under TACAIDS committed leadership
- Start PER process earlier Aug-Sept
- Focus the scoop
- Financial and Planning departments should also be targeted
- Include regional level
- Stress gender aspects