

Helpdesk Report: Different Funding Modalities for Health - Update

Date: 4th April 2014

Query: This is an update of a 2011 report, which looked at evidence for the benefits of providing health funding support through sector budget support as opposed to disease specific funds or programmes. It also investigates whether specific outcomes can be attributed to different funding modalities.

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1. Overview

Broadly, results suggest budget support generally increases funds to the health sector and strengthens national health policies. This correlates with improved health outcomes achieved, but attribution is not always clear.

A review from the Netherlands Ministry of Foreign Affairs (IOB, 2012a) finds budget support has helped to improve access to education and health care. Marginalised rural communities often benefited from this support. Countries with substantial budget support made more progress on several MDG indicators than comparable countries with little or no budget support. In practice, budget support entailed substantial transaction costs. These costs were lower, however, than with project aid. Budget support can be an effective instrument if the donor and recipient agree on the main policy and expenditure priorities. The degree to which a recipient country meets the prevalent criteria of good governance is neither a necessary condition nor a sufficient condition for the effectiveness of general budget support.

Other studies find:

- Budget support has led to an unprecedented expansion in development expenditure and the scope of basic services in the East African context. This has generated some impressive results, particularly in the health field (The UK Independent Commission for Aid Impact, 2012).
- GBS increases the budget allocation for the health sector more than tax revenue does. However, the effect of government health expenditure on health indicators is not necessarily improved by the introduction of GBS, which indicates that the introduction of GBS alone has limited impact (Furukawa & Takahata, 2013).

- GBS recipients have performed better, often significantly so, in all four MDGs assessed (primary enrolment, gender parity in education, child mortality, and access to water), as well as in terms of improvements in the Human Development Index, in the period 2002-2007 (Beynon & Dusu, 2010).
- There is no specific evidence on the effectiveness of budget support for immunisation programmes (The World Bank and GAVI Alliance, 2010).
- SBS has generally helped support the expansion of service delivery, through financing a major share of service delivery inputs, though has not effectively addressed the quality of service delivery. It has supported greater efficiency in the use of public resources though progress has been uneven (Williamson & Dom, 2010).

Country evidence on budget support includes:

- Expansion of health infrastructure and medical personnel in Mali from budget support with increased supervision of childbirth and increased vaccinations for major illnesses (IOB, 2012b).
- The percentage of malnourished young children in Ghana declined from 30% to 13% as a result of budget support (IOB, 2012b).
- A slow decrease in the infant and child mortality figures in Nicaragua after budget support (IOB, 2012b).
- SBS in the health sector in Zambia has not had a significant effect in meeting the objectives of partner countries and cooperating partners. This is mainly because SBS has not been extensively implemented in Zambia, so the experience has been very limited, with only small amounts of funding channelled through SBS over a relatively short period of time (Bartholomew, 2009).
- SBS was found to have made some important contributions to the improvement of health sector outputs in Tanzania though health indicators are not reported (Smith, 2009).

A Particip GmBH (2012) evaluation tries to assess different aid modalities used by the European Commission (EC) to the health sector and notes that actual attribution is difficult. The authors find EC sector budget support contributed significantly to financing staff retention schemes, but data available do not permit a precise statement of impact. Policy dialogue related to sector budget support was extremely successful in Egypt in promoting the primary health care model, with positive impacts on family planning and maternal and child health.

A systematic review summarised the evidence of the impact on MDG 5 outcomes of official development aid delivered in line with Paris aid effectiveness principles and compared this with the impact of aid in general (Taylor et al., 2013). Aid interventions appear to be associated with small improvements in the MDG indicators, although it is not clear whether changes are happening because of the manner in which aid is delivered. The data do not allow for a meaningful comparison between Paris style and general aid. The review identified discernible gaps in the evidence base on aid interventions targeting MDG 5.

Mussa (2013) finds the vertical funding approach in Mozambique starved the Ministry of Health of support for its administrative functions. Associated with this was an exodus of health workers from the public sector to international and private organisations.

Evidence from a randomized trial in Rwanda shows that a results-based financing (RBF) programme has a positive impact on health outcomes, and quality (IBRD/World Bank, 2013). Evaluation showed a significant increase in institutional deliveries and preventive care visits for children as compared to baseline and control facilities receiving the same funds. Similar results were found in the analysis of operational data from several other programs, including Burundi, DRC, Zimbabwe and Zambia. In Rwanda, the impact evaluation showed a significant increase in quality of care in facilities with performance-based financing as

compared to control facilities. Analysis of operational data from several other countries is showing a promising pattern of improvement in quality scores in RBF facilities.

Lewis et al. (2010) look at whether harmonisation and alignment is improving the effectiveness of health sector aid and find that evidence is limited. It is intrinsically difficult to measure the impact of particular measures such as improved coordination. Furthermore, health outcomes are determined by many factors within and beyond the health sector, making attribution difficult. In particular, it is unclear how to separate out the impact of aid practices such as having a SWAp or more aligned aid, from the impact of the health strategies and policies followed, and the adequacy of financing and implementation capacity.

2. Budget support effectiveness

Budget support: Conditional Results. Review of an instrument (2000-2011).

Policy and Operations Evaluation Department (IOB). 2012. IOB Evaluation No. 369.

http://www.oecd.org/derec/netherlands/IOB_BS.pdf

The aim of this policy review was, first, to assess the functioning of the budget support instrument in practice and the results that donors have achieved worldwide, and, second, to evaluate how the Netherlands has used this instrument in the past decade.

The review used several methods. First, IOB conducted an extensive study of international academic and non-academic literature, including reports, evaluations and policy documents. Second, the team conducted a desk study on six countries to examine in detail how the instrument has been used and what it has achieved. The six case study countries – Ghana, Mali, Nicaragua, Tanzania, Vietnam and Zambia – all received relatively sizeable amounts of budget support from the Netherlands. Moreover, IOB attempted to create a variety in its selection regarding the relative importance of the modality for recipients' budgets, in the extent of agreement between recipients and donors in terms of preferences, and in regional distribution. And third, the team conducted quantitative international research, focusing in particular on the international scope, the application of entry conditions and the achievements of budget support.

The review finds budget support has helped to improve access to education and health care. Poorer and more rural communities often benefited from this support. It had a limited impact, however, on increasing the incomes of the poorest groups. General budget support did help public service expenditures to increase, especially in education and health care. Expenditures in these sectors increased more in countries that received budget support than in comparable countries who could not benefit much or at all from it. Moreover, there was a leverage effect in various countries: the increase in expenditure was greater than the financial transfers alone. The additional resources were used for both investments and the running expenses, including salaries in the education and health-care sectors. The quality of the services, however, remained a serious concern.

Evaluations show that the additional resources led to an increase of public services and their use. Various studies also show that the poorest groups in particular benefitted from them. Countries with substantial budget support made more progress on several MDG indicators than comparable countries with little or no budget support. They climbed more on average on the UN development index than countries with little or no budget support, even after controlling for economic growth, good governance and debt relief.

Further conclusions include:

- In practice, budget support entailed substantial transaction costs. These costs were lower, however, than with project aid.

- The budget support policy dialogue was unable to produce (political) reform or alter the priorities of the socio-economic policy, but it was effective in improving financial management and financial transparency.
- Budget support can be an effective instrument if the donor and recipient agree on the main policy and expenditure priorities. The degree to which a recipient country meets the prevalent criteria of good governance is neither a necessary condition nor a sufficient condition for the effectiveness of general budget support.

The Management of UK Budget Support Operations

Independent Commission for Aid Impact. 2012.

<http://www.oecd.org/derec/50359937.pdf>

When providing budget support, donors make a contribution to the national or sectoral budget as a whole. While they can claim a share of all development spending under the national budget, it is equally true to say they contribute to non-developmental expenditure, such as the military budget. Indirectly, however, the same can be said for all forms of aid. Aid funds given for a specific purpose, e.g. building a hospital, may free up additional national resources for spending on other purposes.

Budget support is also directly exposed to any waste or misuse of funds within the national budget. For example, in 2002 the Government of Tanzania drew international criticism for its decision to purchase a £15 million presidential jet. The recipient government retains the right to set its own expenditure priorities. DFID argues, however, that general budget support donors are better placed to influence the composition of the budget to minimise waste and promote development. These are controversial aspects of budget support and the reason why some donors choose not to provide aid in this form.

This evaluation focusses primarily on general budget support operations but many of the observations and recommendations in this report also apply to sector budget support. It was conducted in tandem with a review of DFID education programmes in East Africa (Ethiopia, Rwanda and Tanzania), DFID's Education Programmes in Three East African Countries, ICAI, May 2012, which looked closely at education sector budget support. This report draws on the findings of both studies.

The report finds sector budget support may in some circumstances provide a better platform for addressing complex institutional reforms.

The value for money of budget support is determined by the overall efficiency of public spending on poverty reduction. Many factors can influence this, from the quality of budget processes to the accuracy of national statistics. The quality of national procurement systems is an important factor. There is evidence from case study countries that funds transferred from the national budget down through sub-national government to local service delivery units (e.g. schools and health centres) often suffer substantial losses, due to excessive layers of bureaucracy. This can significantly undermine the value of national development expenditure and therefore of aid funds provided via the national budget.

In the East Africa context, budget support has led to an unprecedented expansion in development expenditure and the scope of basic services. This has generated some impressive results, particularly in the health field.

Cost Effectiveness of Budget Support and Technical Assistance for the Health Sector

Holley, C. (2012) HDRC (Now HEART)

<http://www.heart-resources.org/wp-content/uploads/2012/01/Cost-Effectiveness-of-Health-Sector-Support-Strategies-January-2012.pdf>

This HDRC (now HEART) helpdesk report shows that there have been many reviews highlighting the benefits of budget support and deeming it cost effective. It has been said to provide many benefits, including enabling partner governments to increase expenditure on priority areas, provide more services, particularly in health and education, increased the capacity of partner governments to plan and deliver services effectively and to develop better poverty-focused policies, strengthen their financial management systems and good economic management.

Technical assistance has been written about as an idea of the past and shown to be ineffective and costly by many. It is seen as relatively expensive, and this has been exacerbated by tied aid. However, there are different approaches, with some being more cost effective than others, there has been a trend towards arrangements where donors pool their funds for technical assistance to improve coordination and encourage country leadership. It is often said that reliance on Western providers results in high costs, but some studies have noted that local providers are not always significantly cheaper, particularly in Africa.

Is GBS Still a Preferable Aid Modality?

Furukawa, M., and Takahata, J. 2013. Japan International Cooperation Agency Research Institute

http://jica-ri.jica.go.jp/publication/assets/JICA-RI_WP_No.50_2013_2.pdf

This paper assesses the effect of GBS by using panel data on government revenue, expenditure, and social indicators for the 10-year period from 1997 to 2006. The countries assessed were developing countries whose gross national income (GNI) was less than 11,455 US dollars in 2007. This paper focuses on the health sector as a representative social sector. The results show that GBS in fact increases the budget allocation for the health sector more than tax revenue does. However, the effect of government health expenditure on health indicators is not necessarily improved by the introduction of GBS, which indicates that the introduction of GBS alone has limited impact. The paper suggests that the complementarity between GBS and projects or programmes focusing on human and institutional capacity development should be seriously considered.

Budget Support and MDG Performance

Beynon, J. & Dusu, A. 2010. Brussels: European Commission, Development Paper No. 2010/01.

http://www.gopa.de/uploads/media/budget_support_MDG_performance_development_paper_en.pdf

This study analyses the relationship between the provision of GBS and Millennium Development Goal (MDG) performance. It finds that high GBS recipients have performed better, often significantly so, in all four MDGs assessed (primary enrolment, gender parity in education, child mortality, and access to water), as well as in terms of improvements in the Human Development Index, in the period 2002-2007.

Immunization Financing Toolkit, Brief 10: Budget Support

The World Bank and GAVI Alliance, 2010

http://www.who.int/immunization/programmes_systems/financing/analyses/Brief_10_Budget_Support.pdf

In the case of sectoral and general budget support, immunisation resources fall less and less under the purview of national immunisation programme managers (as is the case with project assistance) and increasingly under the control of the ministry of health or the national treasury. It is therefore important to ensure that programme needs are adequately prioritised within the national strategic plan and budget. This has been a challenge for national programmes as they introduce new vaccines, particularly since they are outside of the national planning and budgeting framework (i.e. they are off-budget). Efforts need to be made to ensure the evidence base for the introduction of new vaccines, to facilitate adequate policy dialogue on priority setting, and to roll these resource requirements into annual or multi-year budgets to the extent possible. Greater advocacy between ministries, parliamentarians, and donor agencies may help in this regard.

Budget support has contributed to greater policy alignment and harmonisation of development aid. General budget support has been linked to increases in pro-poor development expenditures, and reduced earmarking of government budgets. General budget support has also been an effective instrument in strengthening public financial management and improving transparency and accountability. By increasing needed expenditures, budget support has helped to expand service delivery. An additional expected benefit of budget support is reduced transactions costs.

There is no specific evidence on the effectiveness of budget support for immunisation programmes. Recent reviews of the effectiveness of SWAp mechanisms in improving health outcomes have found both strengths and areas for improvement. Sector programming is becoming better integrated within the budget planning process and there is improved diagnosis of barriers to service utilisation. There is also evidence of closer links between policy and implementation. However, SWAp mechanisms explicitly require ministry of health leadership and, in some contexts, limited capacity coupled with high turnover of leadership and weak relationships with the ministry of finance has made this difficult. SWAp coordination has led to better planning and budgeting of the sector but vertical health initiatives still operate outside of these mechanisms to a large extent and this could potentially undermine gains. There is also a lack of information on the health impact of SWAp mechanisms. Broad participation in SWAp mechanisms has been limited in some cases, particularly in civil society. Weaknesses in monitoring systems persist and some donors are unable or unwilling to provide funding through government systems. In addition, budget support may increase the leverage of donors over national health policy since they participate more actively in planning, budgeting, and monitoring of the national health strategic plan.

Assessment of the values of budget support for health and immunisation financing include:

- Budget support can increase predictability of financing through multi-party planning and budgeting of health sector priorities. If budget support is conditional on achievement of targets, there is some risk that disbursements will be less than commitment levels.
- Whether support is equitable depends on the extent to which budget support will be allocated towards activities and programmes to improve the plight of the poor and to reduce poverty.
- Budget support is expected to reduce the transaction costs of dealing with the financial and programmatic reporting and audit requirements of each individual donor separately. The initial costs of establishing coordination mechanisms may be high in terms of time and effort, but these should decrease over time.
- SWAp mechanisms require significant investment in time and coordination – both in the initial stages and for continued maintenance.

- Budget support is thought to be a sustainable mechanism as it creates a sense of ownership of the national plan and of financing of the health sector.
- Budget support from development partners is usually matched with government financing of the sector (and of the programme) and would contribute to self-sufficiency.
- Given that planning, budgeting, and monitoring of use of budget support are integral to sector coordination, this will contribute to greater accountability.

Sector Budget Support in Practice, Synthesis Report

Williamson T & Dom C, 2010, ODI

<http://www.odi.org.uk/resources/download/4733-english.pdf>

This is the synthesis report for a study on Sector Budget Support (SBS) in Practice for the Strategic Partnership with Africa (SPA).

The main achievements of SBS identified include:

- SBS has generally helped support the expansion of service delivery, through financing a major share of service delivery inputs
- SBS has not effectively addressed the quality of service delivery
- SBS has supported greater efficiency in the use of public resources, through facilitating improvements in planning, the budgeting cycle, financial management and accountability, though progress has been uneven

Making sector budget support work for service delivery: wider policy implications

Williamson T, Dom C & Booth D, ODI, 2010

<http://www.odi.org.uk/resources/download/4737-english.pdf>

This is the third in a series of three ODI Project Briefings based on a study of Sector Budget Support in Practice for the Strategic Partnership with Africa (SPA). It builds on the overview and good practice recommendations provided in the companion briefings by considering the wider policy implications of the study.

Key points:

- Incentives are the key to what sector budget support (SBS) does well and what it does badly.
- Strengthening service delivery incentives will involve substantial multilevel efforts by SBS donors and partners.
- These efforts must address the underlying causes, rather than the symptoms, of weak incentives.

3. Country-specific evidence of budget support effectiveness

Budget support: Conditional Results. Case Studies. IOB Evaluation No. 369.

IOB. 2012b. Policy and Operations Evaluation Department (IOB). Netherlands: Ministry of Foreign Affairs.

[http://www.oecd.org/derec/netherlands/iob-case-studies-budget-support-conditional-results\[1\].pdf](http://www.oecd.org/derec/netherlands/iob-case-studies-budget-support-conditional-results[1].pdf)

This paper presents budget support case studies from Nicaragua, Vietnam, Mali, Zambia, Tanzania, and Ghana. They document operational procedures and mainly focus on the impact on economic growth and poverty reduction.

Health related impacts of budget support in the following countries included:

- Nicaragua - the infant and child mortality figures only slowly decreased.
- Mali - general and sector budget support helped finance the expansion of the infrastructure and medical personnel. Average distance to health care centres decreased, and antenatal care increased. The professional supervision of childbirth rose. Vaccinations for the major illnesses increased. Maternal mortality declined. The results for most indicators were disappointing, however. Child mortality decreased slightly.
- Ghana - the percentage of malnourished young children declined from 30% to 13%.

Sector Budget Support in Practice, Case Study, Health Sector in Mozambique

Visser-Valfrey M & Umarji MB, ODI, 2010

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6405.pdf>

This study brought together experience of sector budget support (SBS) to guide future improvements in policy and practice by partner countries and donors. The additional objective was to assess the lessons from experience to date in the health sector and to provide the Government of Mozambique and donors with guidance that will help them improve the design and implementation of SBS in future.

It is too early to state the specific effect of the SWAp. However, the common funds (CF) and associated SWAp procedures that preceded SBS made positive contributions. These include:

- Development of a single policy and implementation plan
- Inclusiveness and alignment of partners
- Harmonisation among donors
- Improvement in budget execution
- Increased funding of operational inputs, such as medicines, and infrastructure for service delivery.
- CF have facilitated some additional decentralisation of funding to provinces, increasing capacity, confidence, and stakeholder participation at provincial and district level.
- The combination of SWAp coordination structures and the use of common funds have resulted in a gradual reduction in transaction costs for the Ministry of Health (MoH).

Problem areas include:

- Other plans co-exist with the Economic and Social Programme for the Health Sector (PESS), fragmenting the policy environment.
- Insufficient progress has been made on key policy decisions, and on establishing clear sector priorities which can guide decision making at central and decentralised levels.
- The comprehensiveness of resource allocation is undermined as vertical funding continues to increase, much of which was off budget and not aligned to the PESS.
- Decentralisation of planning and implementation is weak namely for the external part of the investment budget. Central management of CF resources reinforces this.
- On-budget, CF have distorted the structure of resource allocation by channelling significant volumes of operational inputs via the investment budget.
- Issues related to poor predictability of funding have affected the government's planning and implementation capacity. Confidence among partners is still weak in some respects.
- A disproportionate time in the dialogue has been spent on CF issues. Little attention was paid in the dialogue to the downstream systems for service provision, the incentives faced by service providers, and accountability for service provision.

Sector Budget Support in Practice, Desk Study, Health Sector in Tanzania

Smith, G. 2009. ODI and Mokoro.

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6403.pdf>

SBS was found to have made some important contributions to the improvement of Health Sector outputs in Tanzania though health indicators are not reported.

A summary of SBS influences on sector outputs reports:

- Strong influence on sector policy, planning, budgeting, monitoring and evaluation. Increased attention of dialogue, conditionality and technical assistance on government policy development, planning, budgeting and reporting, and review process at the national level.
- Mixed but largely positive influence on procurement, expenditure, accounting and audit processes. Traceable earmarking and parallel disbursement of SBS helped ensure resources reached local authorities as planned. Gradual improvements in audit follow-up and procurement.
- Slight influence on the capacity of sector institutions and systems. Dialogue and conditions associated with SBS have created demands on the Ministry of Health which have helped it move from being an implementer of services to one which sets policy, manages, monitors and supervises service provision.
- Slight influence on domestic ownership, incentives and accountability.

There are number of areas in which improvements could have been greater and where SBS has potentially undermined progress. For instance:

- The dialogue and other inputs associated with SBS have failed to produce a comprehensive overview of health sector expenditures over time, which has undermined strategic resource allocation.
- The traceability of SBS funding involved the bypassing of government cash management systems, which has undermined the ability of the Ministry of Finance and Economic Affairs (MoFEA) to deliver a predictable budget to Ministries, Departments and Agencies (MDAs) overall, including the MoHSW. As the predictability of the GoT budget has improved, the argument for this parallel disbursement mechanism has diminished.
- The dialogue on procurement plans and audit reports has been time consuming and has tended to dominate the dialogue at the expense of substantive discussion on service delivery and linking expenditure to results. Delays have been evident in receiving requested audit reports and procurement plans despite them being a core part of the conditionality framework.
- SBS has failed to make an impact on the issue of human resources that represents a key impediment to progress.

Sector Budget Support in Practice, Desk Study, Health Sector in Zambia

Bartholomew, A. 2009. ODI and Mokoro.

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5587.pdf>

The overall conclusion of the study is that SBS in the health sector in Zambia has not had a significant effect in meeting the objectives of partner countries and cooperating partners (CPs). This is mainly because SBS has not been extensively implemented in Zambia, so the experience has been very limited, with only small amounts of funding channelled through SBS over a relatively short period of time. Issues related to the design of SBS, delays in disbursements and budget transparency have caused significant problems. As a result, the authors find it unsurprising that the experience of SBS so far has not been very positive. However, they state that if these problems are resolved, SBS still has the potential to be effective in supporting the achievement of health sector goals.

One of the key elements of SBS in health is that it has not sought to establish parallel systems, but has aligned itself with existing policy and planning mechanisms under the SWAp and has used government public financial managements and service delivery systems. This has occurred as cooperating partners who sign up to the SWAp are already using a variety of funding modalities, so the financing modality used by CPs has always been separate from the SWAp mechanism itself, but designed to support it. Through SBS using existing systems, it has helped to ensure that these systems are supported.

Sector Budget Support in Practice, Case Study, Health Sector in Zambia

ODI & Mokoro, 2009

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5587.pdf>

The nature of sector budget support in Zambia:

- The EC and DFID are the only cooperating partners (CPs) who have provided support to the health sector through SBS.
- The EC was previously providing resources to the MoH basket funds, but began SBS in 2006 as a pilot with EUR 10 million allocated to the Health Human Resources Plan (HRP) under the 9th EDF.
- The EC was previously providing resources to the MoH basket funds, but began SBS in 2006 as a pilot with EUR 10 million allocated to the Health Human Resources Plan (HRP) under the 9th EDF.
- The second tranche was only EUR 3.57 million as it was judged by EC headquarters that the required targets had not been met.
- Part of DFID GBS funds were earmarked to health and then non-traceably earmarked to assist in financing the elimination of user-fees. DFID committed to give an additional US\$5 million for health to their GBS commitments over five years (2006-2010). Funds were disbursed into the Treasury account in the MoFNP, with a reporting requirement that DFID should be given evidence that the funds had been transferred to the MoH.
- In 2007 the MoH decided to roll DFID funds into the district grant, with instructions that 4% of the grant should be spent on items that user-fees would have paid for, so districts were free to choose how to spend the funds.
- Although there has been very little SBS, this study is timely as levels of SBS are expected to rise in the near future, as more CPs move to SBS in response to the government of Zambia's statement that general and sector budget support are its preferred aid modalities.

The overall conclusion of the study is that SBS in the health sector in Zambia has not had a significant effect in meeting the objectives of partner countries and CPs. This is mainly because SBS has not been extensively implemented in Zambia, so the experience has been very limited, with only small amounts of funding channelled through SBS over a relatively short period of time. Issues related to the design of SBS, delays in disbursements and budget transparency have caused significant problems. As a result, it is unsurprising that the experience of SBS so far has not been very positive, however if these problems are resolved, SBS still has the potential to be effective in supporting the achievement of health sector goals.

There are two main reasons why the contribution of SBS to sector systems, processes and service delivery have been less than expected. These are delays in disbursement and budget unpredictability, which are a result of the requirement for traceability without additionality of SBS funds, which was not explicitly resolved during the design phase. Additionality of SBS funds is to a certain extent unimportant as SBS funds from both the EC and DFID had no additionality conditions; therefore it was at the discretion of the Ministry of Finance and

National Planning (MoFNP) whether the Ministry of Health (MoH) budget would increase as a result. Given that it is very difficult to prove additionality anyway, particularly when the medium term expenditure framework process does not function well. What is more important is to ensure that at the very least there is a credible and transparent budget allocation system with an agreement on the level of health sector funding on an annual basis. In addition, budgetary funding supported by SBS should be disbursed via the usual cash management procedures, and should not be based on SBS specific disbursements from CPs. A clear understanding of this was not reached between the central bank, MoFNP and MoH before the move to SBS.

Aid effectiveness in Malawi: options appraisals and budget support

Tavakoli, H. & Hedger, E. 2010. ODI

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5800.pdf>

This Project Briefing examines an attempt by the Overseas Development Institute (ODI) to develop and apply a framework to enhance measurement of the net benefits of different options for DFID aid delivery in Malawi: an options appraisal. It looks at why DFID has strengthened its economic appraisal and summarises the methodology and findings from Malawi. Finally, it considers the implications for operational practice and gives recommendations for the design of options appraisals in the future.

The results show the net effect of switching away from General Budget Support (GBS) on the overall volume of budget resources allocated to priority areas of the poverty reduction strategy, expressed as a proportion of planned DFID expenditure. The 'base case' option of continuing GBS is preferable, marginally, to the other two options (Health SWAp and Water and Irrigation Programme). Switching to those options would have a net cost in terms of changes in priority spending, and shows a rating that is 'moderately negative'.

This does not mean that GBS is without challenges, but that providing GBS produces incremental gains over and above the possible alternatives. The expectation is that GBS would result in more resources for priority areas of the MGDS after accounting for transaction costs, leakages in the general budget and the interest costs of domestic borrowing.

It is important to note that the analysis draws a distinction between net benefit streams for which there is a good evidence base (termed 'Category A'), and those where a higher degree of judgement ('Category B') is needed. If 'Category B' estimates are excluded the preferred options become the Health SWAp and the Water and Irrigation Programme.

There is a trade-off in the appraisal methodology between the basic credibility of a comprehensive analysis that includes all assumed costs and benefits and the rigour and reliability of including only those costs and benefits that can be properly measured. This study attempted to follow the second approach, and it became clear that the assumptions used in the model are critical to the overall results.

The most significant benefit comes from the influence of donors on government spending allocations, inherent in GBS. By focusing primarily on quantifiable benefits and trying to avoid implausible assumptions, the model relies on a small number of factors to measure effectiveness. Marginal changes in these assumptions can have a significant impact on the net benefits of the different approaches. This focus on quantifiable results produces only a partial analysis of the net benefits of GBS and risks producing a skewed assessment that may be an unreliable guide for policy decisions. More work is needed, therefore, to understand better and explain more fully the assumptions underlying the analysis.

Budget Support: The Case of the Health Sector in Zambia

Saasa, O. 2010. Premier Consult Limited and German Development Institute (DIE).

http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten_en_diensten/evaluatie/afgeronde_onderzoeken/2011/between-high-expectations-and-reality-an-evaluation-of-budget-support-in-zambia/the-case-of-the-health-sector-in-zambia

GBS and SBS produce lower transaction costs, more efficient allocation of funds, improved predictability of aid flows, positive transformation of government systems, and enhanced domestic accountability compared with project funding. But GBS has been received with mixed feelings in the health sector of Zambia. Resources available are limited, delays in the roll-out of the programme caused frustration, and Ministry of Health staff feel that channelling budget support through the Ministry of Finance and National Planning has resulted in less money reaching the health service. Vertical funding arrangements are a threat to GBS and SBS, and may not be aligned to national-level responses and to the Paris Declaration principles of harmonisation and coherence. The Ministry of Health's M&E capacity is weak, but SBS depends on effective monitoring and evaluation and there is a growing drive globally to move towards results-based monitoring that focuses on agreed targets and results. Joint review exercises would increasingly become less appealing under sector-wide approaches and GBS.

Evaluation of General Budget Support to Nicaragua 2005-2008

IOB. 2010. Policy and Operations Evaluation Department (IOB). Evaluation No.329.

<http://www.oecd.org/derec/netherlands/46782659.pdf>

In May 2005, nine donors signed the Joint Financing Arrangement (JFA) for Nicaragua. The Netherlands was the third donor and the largest bilateral donor of budget support, with a 16.4% share in the total. This report is an evaluation of their contribution through General Budget Support (GBS). The paper finds that GBS been implemented in such a way that most of the Paris Declaration principles have been implemented, at least to an important degree. The exception is ownership, but this could be expected, as ownership is to a large degree incompatible with donors attempts to exert influence.

GBS has led to some positive intermediate effects in Nicaragua. Compared to project aid, it involved lower transaction costs and led to higher allocative efficiency of government expenditure. It also helped strengthening some government systems and there were some positive effects on domestic accountability. Evidence is inconclusive on whether government policies and institutions, supported by GBS have become more effective in fostering economic growth and in reducing poverty.

Joint Evaluation of Budget Support Operations in Mali 2003 - 2009. Executive Summary.

Lawson, A. et al. 2011. Joint Evaluation carried out on behalf of the Commission of the European Union, Belgium and Canada as a pilot exercise of the OECD Development Assistance Committee.

<http://www.oecd.org/countries/mali/48656665.pdf>

Between 2002 and 2009, the majority of the outcome indicators in the health sector have shown significant improvement (for example the use of ante-natal services has increased from 54 % in 2002 to 90 % in 2009). GBS and SBS funds contributed in a major way to the financing of expanded sector infrastructure and GBS (on its own) to the financing of additional health personnel, each of which is closely correlated with the improved outcomes achieved.

Sector Budget Support in Practice - Education in Rwanda

Chiche, M. 2009. ODI and Mokoro

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5580.pdf>

This report investigates the nature, influence and effectiveness of sector budget support in practice. It finds that overall, the experience of the provision of SBS in the Rwandan education sector is an extremely positive one, in which, the objectives of both the government and donors are being met.

SBS, both in terms of funding, policy dialogue and conditions, has contributed towards the reorientation of the budget towards primary education and the expansion of budget lines relating to capitation, textbooks and classroom construction. This in turn has increased the availability of teaching and learning materials, allowed the construction and maintenance of school facilities, and also the recruitment of contract teachers. These are all likely to have a significant effect on education outcomes in the future. There is, however, a need to address the number, remuneration, deployment, management and professionalization of teachers over the medium term, if benefits are to be maximised.

Evaluation of Budget Support in Zambia: Agriculture Case Study.

Chiwele, D., et al. 2010. Oxford Policy Management.

http://www.minbuza.nl/binaries/content/assets/minbuza/nl/import/nl/producten_en_diensten/evaluatie/afgeronde_onderzoeken/2011/between-high-expectations-and-reality-an-evaluation-of-budget-support-in-zambia/evaluation-of-budget-support-in-zambia-agriculture-case-study.pdf

There are several channels through which budget support may have given Zambia the means to implement national and sector policies, and some increases have been noted in resource flows, the efficiency of policy dialogues, and the provision of public financial management (PFM) and other technical assistance, but clear counterfactuals could not be established and therefore there is no clear evidence to conclude that the benefits obtained through budget support were greater than those that might have been obtained in its absence.

Sector Budget Support in Practice - Agriculture in Mozambique

Cabral, L. 2009. ODI and Mokoro.

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/5577.pdf>

This report investigates the nature, influence and effectiveness of sector budget support in Mozambique practice. The report finds that despite the high degree of scepticism and uncertainty about the future of the National Programme for Agricultural Development funding mechanism, budgetary support provided to Ministry of Agriculture and Rural Development over the past 10 years has had an impact in sector policies and processes. Through the provision of discretionary funding, dialogue, technical assistance and strengthened donor coordination, the funding mechanism has produced important effects on the relationship of external assistance and sector processes which have led to changes in sector policy, spending and management systems.

4. Sector wide approaches (SWAps)

Sector-wide approaches (SWAps) in health: what have we learned?

Peters, D.H., Paina, L. & Schleimann, F. 2012. Health Policy and Planning, 2012; 1-7
<http://heapol.oxfordjournals.org/content/early/2012/12/11/heapol.czs128.full.pdf+html>

SWAps have contributed to the development of robust national health policies and transparent expenditure frameworks as well as strengthening institutional capacity, though the levels of success vary widely. Government stewardship of donors and local stakeholders as well as their political will to implement health strategies also vary highly. Although SWAps are geared towards consensus building policy changes at the national level, in the face of urgent global health concerns, notably the HIV epidemic, donors often by-passed SWAp arrangements through global health initiatives intended to address international priorities. Yet, a key to sustaining global health initiatives is how well they can be integrated into national health systems, a task requiring a return to SWAp principles. Despite shortcomings, SWAps have remained a popular approach for supporting alignment, harmonisation and improved accountability between donors and country governments, increasing predictability of aid and reducing fragmentation. The future of SWAps will depend on stronger government oversight and innovative institutional arrangements to support health strategies that address the need for both targeted initiatives and stronger health systems to provide a wide range of public health and clinical services. For development assistance to be more effective, it will also depend on better discipline by donors to support national governments through transparent negotiation.

Effectiveness of sector-wide approaches in fragile contexts

Lucas, B. 2013. GSDRC
<http://www.gsdrc.org/docs/open/HDQ1031.pdf>

This GSDRC helpdesk report synthesises reviews that have been undertaken to assess the effectiveness of working through a Sector Wide Approach (SWAp) in fragile contexts, specifically focusing on health and education SWAps and decentralised contexts. It finds that there is no consistently strong evidence that sector-wide approaches (SWAps) have been effective at achieving development outcomes in fragile contexts. Available evidence is mixed, partly because of the uniqueness of each country's context. SWAps are generally considered to be most appropriate in relatively stable low- and middle-income countries, with national political leadership and institutional capacity considered to be prerequisites. However, there is some evidence that if given sufficient time, a mature SWAp can contribute to stabilisation and state-building processes. Processes of decentralisation can either enhance or undermine state-building objectives depending on context. This report presents brief summaries of a selection of health and education sector reviews completed within the last four years, covering a range of fragile and conflict-affected states in Asia, the Pacific, and Africa.

Do Sector Wide Approaches for health aid delivery lead to 'donor-flight'? A comparison of 46 low-income countries

Sweeney, R., Mortimer, D. & Johnston, D.W. 2014. Social Science and Medicine, Volume 105, pp 38-46
<http://www.sciencedirect.com/science/article/pii/S0277953613007181>

This paper utilises a uniquely compiled dataset of 46 low-income countries over 1990–2009 and a variety of panel data regression models to estimate the impact of health SWAp implementation on levels of health aid. Results suggest that amongst 16 especially poor low-income countries, SWAp implementation is associated with significant decreases in health aid levels compared with non-implementers. This suggests donors are not indifferent to how

their contributions are allocated by recipients, and that low-income countries considering a SWAp may need to weigh the benefits of greater control of aid allocations against the possibility of reduced aid income.

In Sweet Harmony? A Review of Health and Education Sectorwide Approaches (SWAps) in the South Pacific

Vaillancourt, D. 2012. World Bank

http://www.internationalhealthpartnership.net/fileadmin/uploads/ihp/Documents/Results_Evidence/HAE_results_lessons/SWAp_PacificStudy.pdf

Main findings include:

- With the exception of Samoa Health, aid effectiveness objectives and indicators under the SWAps are more implicit than explicit, making it challenging both to define and to measure success.
- Anticipated benefits of the SWAps reviewed have been partially achieved to date.
- There is uncertainty about whether sector performance and outcome objectives will be achieved under ongoing SWAps by the end of their program periods.
- The analysis of country experience has pointed to factors under the SWAps that may have undermined their ability to achieve national sector objectives, especially in the initial years. A learning-by-doing process is ongoing, and this study's findings point to the opportunity for further improvements.
- There is a need for further exploration of the business models of the Development Partners supporting the SWAps (the four which jointly produced this study) to assess the extent to which they are efficient and effective in meeting the needs and demands of countries implementing SWAps.

Impact Evaluation of the Sector Wide Approach (SWAp), Malawi

Pearson, M. 2010. HDRC

<http://www.heart-resources.org/wp-content/uploads/2012/02/Impact-Evaluation-of-the-SWAp-Malawi.pdf>

This review responds to a National Audit Office request for further work to assess the impact of the health Sector-Wide Approach (SWAp) in Malawi. Malawi has been a relatively strong performer in terms of health outcomes for many years. Since the early part of the decade, key health indicators such as infant and under five mortality rates have been better than average for least developed countries. This raises the question as to whether the SWAp is sustaining or even accelerating those gains or whether such progress is being made in spite of the SWAp. There are some suggestions that the rate of improvement is declining (suggesting that perhaps easier gains have been made, that the SWAp is performing less than ideally or that external factors are responsible).

Good progress has certainly been made during the SWAp period, although Malawi is unlikely to achieve the Millennium Development Goals health targets; it may achieve the U5MR but is well off-track to achieve the Maternal Mortality Ratio target. This is perhaps not surprising as it was recognised at the outset that the Programme of Work was resource-based rather than needs-based and provided for too few resources to achieve the MDGs. In practice, more resources have been made available than was anticipated.

The SWAp process has undoubtedly had serious weaknesses, which largely reflect the low level of national capacity, but also declining commitment (according to a recent World Bank review) which means that the process is less developed than in many other SWAp countries. This might suggest that the question "Has a SWAp been tried?" may be just as relevant as "Has the SWAp worked?"

Third Annual Output to Purpose Review (OPR) of DFID Support to the Delivery of Essential Health Services (EHS), Kenya

Putney, P.J. 2010. HDRC

<http://www.heart-resources.org/assignment/third-annual-output-to-purpose-review-opr-of-dfid-support-to-the-delivery-of-essential-health-services-ehs-kenya/>

The leadership and technical capacity of the Ministries of Health continues to be strengthened with support from EHS that is transparent, integrated, flexible and strategic, supporting a transition to a SWAp (Sector Wide Approach). The relationships between EHS staff and their counterparts at the central, provincial, district and community levels are a key element in the success of the programme.

Other noted successes include:

- scaling up and expanding activities
- improved working relationships
- improvement in clinical skills and confidence as a result of training
- community units better informing women and their families

Some technical recommendations include:

- the most successful interventions should be analysed so that best-practice can be replicated
- Maternal Death Reviews should continue to expand and improve
- routine review of all “near misses”/complications, stillbirths and neonatal deaths should be made a requirement at all facilities
- increased incentives for community health workers
- development of concrete IEC (Information, Education and Communication) strategies

Do Health Sector-Wide Approaches Achieve Results? Emerging Evidence and Lessons from Six Countries

Vaillancourt D., 2009. Independent Evaluation Group, World Bank.

<http://siteresources.worldbank.org/EXTWBASSHEANUTPOP/Resources/wp4.pdf>

This study distills evidence from six countries: Bangladesh, Ghana, Kyrgyz Republic, Malawi, Nepal and Tanzania.

Findings on benefits and achieving objectives:

- Health SWApS have been largely successful in putting in place critical tools and processes for improved sector coordination and oversight.
- All SWApS made some headway in improving the harmonisation and alignment of development assistance, albeit with some shortcomings.
- Health SWApS have been only modestly successful in achieving improved sector stewardship.
- In most of the six countries, national health objectives were only modestly achieved under the SWAp.

How did the approach facilitate the achievement of health objectives?

- Programmes of work (PoWs) that set specific, prioritised, phased, and ambitious-but-feasible targets and that assessed the political economy of reforms were more likely to achieve their objectives.
- The strength of local capacities and systems used for common implementation arrangements determined the pace and efficiency of PoW implementation.
- Country experience has revealed three dimensions of partnerships formed under SWApS that can enable – or undermine – the achievement of results: who is in the

- partnership; the main functions of the partnership and how effectively they are carried out; and how the partners interact.
- The predictability, flow, and use of health sector resources – both domestic and external – have affected the efficacy and efficiency of PoW implementation.

Lessons learnt:

- The adoption and financial support of a PoW based primarily on the collaborative process for its preparation and/or its strong national ownership alone are not sufficient to ensure optimal health sector performance and outcomes.
- The sequencing of efforts to develop and use local skills and systems can mitigate the risks of delayed implementation and a weak results focus.
- Incentives, whether through rewards, sanctions, and/or pedagogical interventions, can strongly and positively affect a SWAp's results focus.
- The effectiveness of SWAps at the local level can be improved through better management of local political economy issues and strengthening technical, strategic decision-making, and service delivery capacity of health districts and facilities.

Improving the Results Focus in Health Sector Wide Programming

Pearson M, HLSP, 2010

Attached. Not available online.

This paper aims to shed light on the issue of how to improve the results focus of health sector wide programmes in South Asia focusing on how to align and structure financing to maximise results. The key findings are summarised below:

- Terminology is extremely confusing and terms like Performance Based Aid (PBA), Results based aid or Results based financing (RBF) are used as if they were equivalent, which they are not.
- The evidence base on results based approaches remains extremely weak: well designed studies and piloting is required.
- All programmes have a certain degree of results orientation. It is how results are defined and whether satisfactory indicators can be identified to reflect the results focus.
- While the choice of indicators matters, the key to designing a successful results oriented programme is to develop a clear understanding of the incentive structure faced by key stakeholders and underpinning the programme.
- The main problem is not the fact that there is too much focus on process indicators in result frameworks. It is ensuring that a results focus is used at all stages but particularly that sector coordination arrangements allow for real dialogue on how results can be improved.
- Financial incentives are only one of a number of incentives, and if Government are truly committed to achieving the desired results it is difficult to see what further financial incentives will do.
- Where performance based payments are involved, definitions should be precise and the rules of the game need to be clear.
- A realistic sector programme based on a good diagnosis of the problem and a good understanding of sector bottlenecks is a key precondition, as is the existence of effective mechanisms that enable dialogue between government and donors on whether results are being achieved or not, and why.
- There is no perfect performance framework. In searching for one donors often encourage overelaborate and ultimately extremely burdensome frameworks. What is needed is simple, measurable indicators that everyone can understand and apply.
- The understandable failure of many programmes to deliver often elicits an inappropriate response by donors (withdrawal of funding/use of parallel funding) rather than reappraise targets and supporting capacity development.

- RBA/RBF mechanisms remain one sided – penalising failure but not rewarding over performance. Rewarding performance is difficult for donors to manage – they face competing demands which can undermine an intended results focus.
- Paradoxically rapid introduction of results based approaches might be easier in fragile, post-conflict situations – though it needs to be combined with parallel efforts to build national capacity.
- Attribution will remain next to impossible as RBA/RBF approaches will, quite rightly, tend to be implemented as part of a package that may involve other donors and other reforms.
- Shifting to a results focus will shift emphasis away from fiduciary assessments to assessing the ability of M&E systems to measure progress.

5. Results-based aid

Results-Based Financing for Health

IBRD/World Bank. 2013.

<http://siteresources.worldbank.org/INTAFRICA/Resources/AHF-results-based-financing.pdf>

This background paper on RBF in Africa was part of the basis for discussion during the *Africa Health Forum 2013: Finance and Capacity for Results*. The paper shares some of the operational results starting to come in from Health Results Innovation Trust Fund (HRITF) pilots.

Key messages:

- Over the past five years, Results-Based Financing (RBF) for health has been extensively tested in Africa as a promising approach to work towards Universal Health Coverage.
- RBF approaches are achieving good results; increasing coverage as well as quality of services while targeting resources to vulnerable populations.
- A well-designed RBF programme can strengthen core health system functions, increasing value for money and accountability of the health system.
- In many countries the design of RBF programmes has included removing user fees, thus improving financial access for essential health services.

Results includes:

- Evidence from a randomized trial in Rwanda shows that the RBF programme has a positive impact on health outcomes, and quality. Evaluation showed a significant increase in institutional deliveries and preventive care visits for children as compared to baseline and control facilities receiving the same funds.
- Similar results were found in the analysis of operational data from several other programs, including Burundi, DRC, Zimbabwe and Zambia.
- In Rwanda, the impact evaluation showed a significant increase in quality of care in facilities with performance-based financing as compared to control facilities. Analysis of operational data from several other countries is showing a promising pattern of improvement in quality scores in RBF facilities.
- An analysis of operational data from several other countries is showing a promising pattern of improvement in quality scores in RBF facilities. Weight- and height- for age improved.

Results based aid and results based financing: What are they? Have they delivered results?

Pearson, M. 2011. HLSP

<http://www.hlsp.org/LinkClick.aspx?fileticket=tdqKrWX321Q%3d&tabid=2288&mid=4442>

This paper does not identify impacts of results-based programmes. It does discuss some of the challenges of assessing whether results based funding approaches work. Looking at cost-benefit must involve transaction costs of tracking results which can be substantial. For example, a study in Rwanda found that the validation of data is comprehensive and time consuming. One case found a team of five district health professionals using an average of five hours each per month just to validate data in one health centre. There is also a danger of losing out in areas that are not attracting the funding. Another problem identified is an overemphasis on quantity rather than quality.

The current evidence base is weak but improving. Though there is no shortage of advocacy documents suggesting that results based approaches are associated with the delivery of better results. A key conclusion would be the need for more rigorous evaluations (which is beginning to happen), with more robust design, but also an emphasis on asking the right questions.

Emerging lessons from experience to date suggests that:

- It is extremely important to focus on the right interventions and results.
- Results based funding is not a simple solution to concerns about attribution.
- We need to ensure that approaches involve payment for results rather than payment by results.
- We need to ensure a higher degree of consistency with the principles of aid effectiveness.
- We need a good understanding of the incentives faced by agents.
- We need to be cautious in assuming benefits are sustainable.
- We need to closely monitor impact on equity.
- Results based approaches do not remove risks – they just change their nature.
- The approach does not necessarily remove the need for ‘targets’ – but just changes the way they are applied.
- We need to build up the systems and promote a culture which support a greater results focus and more effective reporting and monitoring arrangements that involve both principals and agents.

Review of major Results Based Aid (RBA) and Results Based Financing (RBF) schemes

Pearson, M., Johnson, M. and Ellison, R. 2010. HDRC

http://www.heart-resources.org/wp-content/uploads/2012/05/271866_UK-Review-Major-Results-Based-Aid-and-Results-Based-Financing-Schemes_Report.pdf

“Managing for results” is a key component of the Paris Principles of Aid Effectiveness. The lack of a results focus is seen as a major reason why past aid efforts have yielded disappointing results.

Key messages from the review include:

- It is important first to take a step back and ask “are we targeting the right results?”
- RBA/RBF schemes do deliver the intended results but that is not necessarily enough
- Attribution is generally not possible
- It is unknown whether RBA/RBF schemes offer value for money or will continue to deliver results
- Conditionality doesn’t always help

- Results on RBA/RBF schemes promoting equity are mixed.
- Good design is very important

In conclusion, RBA/RBF schemes have a role to play but are no panacea. However, measurement is not always possible. This review recommends that DFID should adopt a positive but cautious stance. Schemes need to be tailored to local circumstances. They should be well prepared, well designed, piloted and carefully monitored and then modified as and when any unexpected effects become apparent. RBF appears to work better for simple interventions which are provider led and where latent capacity exists. Complementary actions will usually be required.

6. Impact of different aid modalities

Thematic evaluation of the European Commission support to the health sector

Particip GmbH. 2012.

http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2012/20121217-health-new-vol-i_en.pdf

This evaluation provides an independent assessment of the European Commission's (EC's) past and current support to the health sector by looking at the relevance, efficiency, effectiveness, impact and sustainability of the EC support provided. It also assesses the coherence of EC health support with other EC/European Union (EU) and donor policies and activities, as well as the specific EC added value within the health sector.

The evaluation assesses every aid modality used in the health sector, including Sector Budget Support (SBS) and General Budget Support (GBS), as well as funds channelled through multilateral organisations or global initiatives, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) or the Global Alliance for Vaccines and Immunisation (GAVI).

Although actual attribution of impact is difficult, the EC has contributed to progress in the health sector. Three key themes that emerge from the evaluation have limited its impact: (i) the persistent under-resourcing of the health sector by beneficiary governments, (ii) the human resource (HR) crisis in health, and (iii) the need for better health technical capacity in EUDs.

Impact is difficult to assess, but there is no doubt that overall, EC health assistance contributed to progress towards health MDGs, not only in the particular areas of maternal and child health and HIV/AIDS, but also more broadly in terms of promoting better health outcomes, especially among the poor. By contrast, EC impact in health care finance and in HR has been modest.

Health care finance is ultimately the responsibility of governments and all the EC can do is to provide technical and, through policy dialogue, encouragement. With a few exceptions, it is difficult to see hard evidence that EC SBS and GBS resulted in increased resources for the health sector. Regarding the closely-related area of health sector public financial management, there is evidence of EC capacity building, but less evidence of tangible improvements.

On sector budget support:

- EC sector budget support contributed significantly to financing staff retention schemes, but data available do not permit a precise statement of impact.
- Policy dialogue related to sector budget support was extremely successful in Egypt in promoting the primary health care model, with positive impacts on family planning and MNCH.

The selection by the EC of aid modalities and channels was made on the basis of a relatively good analysis of the health sector and of partner country needs and capacities, although this was weaker in the earlier period of the evaluation. EC aid delivery modalities were adapted well to the national context in recipient countries and this trend has improved over the evaluation period and was accompanied by an increasingly thorough analysis of the different dimensions of the health sector in partner countries. In terms of delivery modalities, this evolution has corresponded to more use being made of budget support especially sector budget support, although its use is still at a relatively low level compared to other sectors. There is no strong evidence on a significant positive impact of budget support on national health expenditures and on budget processes at both central and decentralised levels. There is, however, evidence that SBS has resulted in increased levels of capacity building support for health, including all EC financed SBS and in some instances GBS. On the other hand, SBS or health-related GBS lending has not led to comprehensive improvements in budgeting and policy processes, but there have been some notable contributions by the EC.

Where there have been achievements, the development of medium-term expenditure frameworks and sector strategies is the most common, but there is mixed evidence of consistent results in strengthening of policy processes or enhancing public financial management. There was also limited success in improving policy based resource allocations, through SBS or GBS.

The Impact of Official Development Aid on Maternal and Reproductive Health Outcomes: A Systematic Review

Taylor, E.M. et al. 2013. PLOS One

<http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0056271>

Progress toward meeting Millennium Development Goal 5, which aims to improve maternal and reproductive health outcomes, is behind schedule. This is despite ever increasing volumes of official development aid targeting the goal, calling into question the distribution and efficacy of aid. The 2005 *Paris Declaration on Aid Effectiveness* represented a global commitment to reform aid practices in order to improve development outcomes, encouraging a shift toward collaborative aid arrangements which support the national plans of aid recipient countries (and discouraging unaligned donor projects).

The authors conducted a systematic review to summarise the evidence of the impact on MDG 5 outcomes of official development aid delivered in line with Paris aid effectiveness principles and to compare this with the impact of aid in general on MDG 5 outcomes. Searches of electronic databases identified 30 studies reporting aid-funded interventions designed to improve maternal and reproductive health outcomes. Aid interventions appear to be associated with small improvements in the MDG indicators, although it is not clear whether changes are happening because of the manner in which aid is delivered. The data do not allow for a meaningful comparison between Paris style and general aid. The review identified discernible gaps in the evidence base on aid interventions targeting MDG 5, notably on indicators MDG 5.4 (adolescent birth rate) and 5.6 (unmet need for family planning).

This review presents the first systematic review of the impact of official development aid delivered according to the Paris principles and aid delivered outside this framework on MDG 5 outcomes. Its findings point to major gaps in the evidence base and should be used to inform new approaches and methodologies aimed at measuring the impact of official development aid.

Global health initiative investments and health systems strengthening: a content analysis of global fund investments

Warren, A.E. et al. (2013) Globalization and Health, 9:30

<http://www.biomedcentral.com/content/pdf/1744-8603-9-30.pdf>

This study shows that a substantial portion of Global Fund's Round 8 funds was devoted to health systems strengthening. Dramatic skewing among the health system building blocks suggests opportunities for more balanced investments with regard to governance, financing, and information system related interventions. There is also a need for agreement, by researchers, recipients, and donors, on keystone interventions that have the greatest system-level impacts for the cost-effective use of funds. Effective health system strengthening depends on inter-agency collaboration and country commitment along with concerted partnership among all the stakeholders working in the health system.

Building Blocks or Stumbling Blocks? The Effectiveness of New Approaches to Aid Delivery at the Sector Level

Williamson T et al., Research project of the Advisory Board for Irish Aid, 2008

<http://www.odi.org.uk/resources/download/1526.pdf>

In the continuing search for ways to provide more effective aid, donors have committed themselves to making greater use of government systems and harmonising the way aid is delivered. Donors who agreed to the Paris Declaration on Aid Effectiveness in 2005 are free to choose their own modality, as long as they progressively shift towards those that use government systems in full.

Programme-based approaches have been developed with these principles in mind. While such approaches accommodate all modalities, direct budget support and debt relief provided to recipient governments are those best suited to the use of government systems. Yet, donors are hesitating to move decisively towards these modalities, even in contexts where programme-based approaches have been well established by the adoption of sector-wide approaches (SWAs) and national poverty reduction strategies (PRSs). Instead, they continue to use either project arrangements or intermediate modalities, such as common, pooled or basket funds. The justification usually offered is that recipient country systems are too weak for a shift to sector or general budget support (GBS). Common funds (CFs) are presented as 'transitional' aid modalities by means of which donors can help strengthen country policies and systems while ensuring that aid funds are well spent.

This working paper analyses the effectiveness of different aid modalities and the coordination mechanisms associated with programme-based approaches at the sector level. It draws from three case studies, covering the education sector in Tanzania, the water and sanitation sector in Uganda and the health sector in Mozambique, and also from the broader literature.

The report finds the deployment of uncoordinated project aid in many sectors has contributed and continues to contribute towards a vicious circle, compounding poor sector governance. Six reasons for this are listed.

The principles of country ownership, alignment with country policies and systems and improved coordination embodied in the new aid paradigm are largely well conceived, and have the potential to deliver a break from the vicious circle of aid ineffectiveness. However, to date, traditional behaviour in aid delivery remains prevalent. To achieve this the report suggests:

- A balance of sector-based aid and general budget support
- Delivering better aid and better dialogue at the sector level
- Avoiding using projects and common funds in support of service delivery wherever possible.

- Addressing the incentives within donor agencies and recipients.

Changes in aid and donor behaviour have delivered some improvements in domestic policies and systems, however, this has failed to deliver a decisive shift from past ineffectiveness, and the vicious circle of aid ineffectiveness is likely to continue. This paper asserts that the aid paradigm has the potential to deliver this decisive break. A key finding is that common funds can act as stumbling blocks rather than building blocks in strengthening service delivery. A more decisive shift in aid modalities towards budget support, plus a change in donor behaviour, is required to break out of this circle.

However, a key constraint is the incentives within recipient and donor agencies which perpetuate the circle of aid ineffectiveness. Recipient incentives can be addressed by a shift in aid modalities towards Direct Budget Support. This increases the importance of changing the incentive structures within donor agencies to deliver against the new aid paradigm.

Ultimately, the likelihood of reform at the sector level relies on political support and technical leadership within government. This is very difficult for the donor community to influence.

The health systems funding platform and World Bank legacy: the gap between rhetoric and reality

Brown, S.S., Sen, K. & Decoster, K. 2013. Globalization and health, 9:9
<http://www.biomedcentral.com/content/pdf/1744-8603-9-9.pdf>

Global health partnerships created to encourage funding efficiencies need to be approached with some caution, with claims for innovation and responsiveness to development needs based on untested assumptions around the potential of some partners to adapt their application, funding and evaluation procedures within these new structures. We examine this in the case of the Health Systems Funding Platform, which despite being set up some three years earlier, has stalled at the point of implementation of its key elements of collaboration. While much of the attention has been centred on the suspension of the Global Fund's Round 11, and what this might mean for health systems strengthening and the Platform more broadly, we argue that inadequate scrutiny has been made of the World Bank's contribution to this partnership, which might have been reasonably anticipated based on an historical analysis of development perspectives. Given the tensions being created by the apparent vulnerability of the health systems strengthening agenda, and the increasing rhetoric around the need for greater harmonisation in development assistance, an examination of the positioning of the World Bank in this context is vital.

The Five Year Evaluation of the Global Fund

Global Fund, 2010

<http://www.theglobalfund.org/en/terg/evaluations/5year/>

The synthesis report discusses the following findings:

- The Global Fund, together with major partners, has mobilised impressive resources to support the fight against AIDS, tuberculosis and malaria.
- Collective efforts have resulted in increases in service availability, better coverage, and reduction of disease burden.
- Health systems in most developing countries will need to be greatly strengthened if current levels of services are to be significantly expanded.
- The Global Fund has modelled equity in its guiding principles and organisational structure. However, much more needs to be done to reflect those efforts in grant performance.

- The Performance-Based Funding system has contributed to a focus on results. However, it continues to face considerable limitations at country and Secretariat levels.
- The Global Fund partnership model has opened spaces for the participation of a broad range of stakeholders. This progress notwithstanding, existing partnerships are largely based on good will and shared impact-level objectives rather than negotiated commitments or clearly articulated roles and responsibilities, and do not yet comprise well functioning system for the delivery of global public goods.
- As the core partnership mechanism at the country level, country coordinating mechanism (CCMs) have been successful in mobilising partners for submission of proposals. However, in the countries studied, their grant oversight, monitoring, and technical assistance mobilisation roles remain unclear and substantially unexecuted. The CCMs' future role in these areas and in promoting country ownership is in need of review.
- The lack of a robust risk management strategy during its first five years of operation has lessened the Global Fund's organisational efficiencies and weakened certain conditions for the effectiveness of its investment model. The recent work to develop a comprehensive, corporate-wide risk management strategy is a necessary step for the Global Fund's future.
- The governance processes of the Global Fund have developed slowly and less strategically than required to guide its intended partnership model.

Effects of the Global Fund on Reproductive Health in Ethiopia and Malawi: Baseline Findings

Schott W, Stillman K, and Bennett S, 2005. The Partners for Health Reform *plus* Project. http://pdf.usaid.gov/pdf_docs/PNADF197.pdf

This report aims to assess the effects of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GF) and the activities it supports on reproductive health and family planning programmes in Ethiopia and Malawi.

Findings are that reproductive health players have not participated extensively in GF planning processes, and GF activities are not integrated with reproductive health, family planning, or other preventive care services. Health workers have increased responsibilities with GF activities and work in resource-constrained environments.

In Ethiopia, health workers are shifting out of the public sector in search of better working conditions at NGOs, bilateral aid agencies, and international organisations, and, in Malawi, there is evidence of resource shifts away from community health programmes like reproductive health and family planning in favour of activities related to the three focal diseases of AIDS, tuberculosis, and malaria.

While both public and private facilities offer reproductive services, they are available in almost all public health facilities, but in fewer private facilities. The number of private NGOs has grown, while the involvement of the private non-profit sector remains limited. Systems for commodity procurement and disbursement have improved in Ethiopia, while fewer improvements to the system have occurred in Malawi as GF activities have been implemented.

The report concludes that the GF has mobilised substantial resources and released them to a greater number of players in an effort to combat HIV/AIDS, TB, and malaria. With the surge in funding brought about by GF comes opportunity to scale up efforts to improve health, as well as challenges in absorbing funds and using them efficiently and effectively.

Improvements have been made in areas such as increasing the actors involved in service provision, enhancing infrastructure, and increasing availability and capacity of health services. The GF, however, has also led to an increasing focus on the three focal diseases, rather than increased attention to broader health systems strengthening. As a result, existing health system challenges have been overlooked in many cases, and to some extent, other health priorities have been overshadowed. Opportunities that have arisen to strengthen health systems while implementing GF activities have often been missed, as in the case of the drug procurement system in Malawi. Furthermore, significant issues of sustainability remain.

Second GAVI Evaluation

GAVI Alliance, CEPA LLP, 2010

<http://www.gavialliance.org/library/gavi-documents/evaluations/second-gavi-evaluation-2006-2010/>

This evaluation report makes the following conclusions on a global level:

- Despite a fair wind, GAVI has attracted funding to immunisation that probably wouldn't have occurred in its absence.
- A big area of financial added-value has been through International Finance Facility for Immunisation (IFFIm), where GAVI's role has been unique.
- GAVI's role in the ongoing implementation of the Advance Market Commitment (AMC) pneumococcal pilot is also identified as a significant achievement.

Report findings on national level include:

- GAVI's basic programmatic approaches and the development of tools to support countries' financial planning was a key source of innovation in Phase I.
- Co-financing has supported country ownership, but it has contributed relatively little to financial sustainability and changes to the policy have been a cause of confusion at the country level.
- GAVI's choice of vaccines and its basic funding model – despite its contributions to tools and country approaches – has had a negative impact on country financial sustainability.

Findings on programmatic value include:

- There is strong evidence that GAVI's flagship programme, New and underused Vaccines Support (NVS), has accelerated countries' introduction of life saving vaccines and immunisation outcomes – which might not have happened in its absence.
- However, it has not contributed to a reduction in vaccine prices – as originally anticipated – with serious implications for country affordability and sustainability.
- GAVI is unique in financing associated vaccine technologies through its injection safety programme, which has clearly been successful and sustainable – although waste management remains an issue.
- GAVI's focus on health system bottlenecks in countries through its Health System Strengthening (HSS) window is deemed necessary for increasing coverage, but there are several issues in relation to the effectiveness of its delivery model, and the dilution of GAVI's focus and its comparative advantage.
- The Immunisation Services Support (ISS) programme has also received 'mixed' feedback. Although generally regarded as being highly innovative, the impacts achieved and scope for sustainability are less conclusive.
- The Civil Society Organisation (CSO) support programme has been slow to take off on account of some fundamental design and implementation issues.

Aid for Better Health – What Are We Learning About What Works and What We Still Have To Do? An Interim Report from the Task Team on Health as a Tracer Sector
OECD/DAC, 2009

<http://www.oecd.org/dataoecd/25/54/45014642.pdf>

Even where there is progress, the mechanisms are not always in place for accurately monitoring what is being done. DAC reporting is valuable and continuously improving, but is limited to particular indicators and depends on donor inputs. Initiatives such as that of the International Health Partnership, IHP+ Results, are aiming to bring complementary information, but they are at early stages of development, and in any case partial in coverage and support. In respect of the monitoring surveys of IHP+ Results, a good start is being made, but coverage is incomplete for a mix of reasons relating both to staff shortages and doubts that some players have over the initiative. It is notable that survey returns from partner countries are limited, so that the first year's data will mainly profile donors only.

There is emerging evidence that donors and recipients have taken steps to review progress towards aid effectiveness commitments (see for example Vietnam's 2007 Independent Monitoring Report on Implementation of the Hanoi Core Statement, or the 2008 UK Progress Report on Aid Effectiveness). However, at the sector level few assessments of progress towards aid effectiveness at the individual country or donor level have been undertaken. A notable exception is the Ghana Ministry of Health's Review of Development Partners Performance for 2008.

While information is improving, data are still unsystematically gathered and evidence on results is incomplete. Similarly, while anecdotal evidence of the impact of aid effectiveness on results is emerging - for example WHO et al (2008) report that in Mali — improvements in harmonisation and alignment among health partners are correlated with health sector gains — more systematic information and analysis is needed. To further show the collective impact of aid on results, as well as the link between aid effectiveness and health impact, evidence of the impact of health aid towards meeting the MDGs is currently being gathered. This workstream, which is led by the Global Fund, will culminate in a report based on country case studies for 2010.

CTL-for-Health/FTT-with-Health: Resource-Needs Estimates and an Assessment of Funding Modalities

Baker BK, Action for Global Health and International Civil Society Support, 2010

http://ec.europa.eu/health/eu_world/docs/ev_20101013_rd05_en.pdf

This document proposes a funding model for health. It then discusses how to distribute funds raised.

The pros and cons of budget support:

Questions about the intermediate “destination” of funding must be addressed. Proponents of sector budget support, general budget support, and other pooled financing mechanisms at the country level argue that such pooled funding increases government ownership and control, aligns with government budget cycles, and eases public finance management. With pooling, the government knows its total resource envelope and can plan and spend accordingly. If existing government capacity to handle pooled funding is less than desirable, then proponents argue that governments should receive technical assistance to build durable public sector management capacity. Proponents argue further that the alleged incapacity of governments to manage pooled funding must be weighed against its less-than-perfect alternative: the inefficient, convoluted, duplicative, and uncoordinated mechanisms of finance administration orchestrated by donors.

Critics of pooled financing directly to governments admit these potential benefits, but focus as well on historical analysis of some governments' poor planning, inefficiency, corruption, and incapacity to even spend as planned or to monitor and account for the actual flow of resources. Critics worry that most governments neglect important health needs and/or vulnerable populations and that some governments persistently refuse to grant resources to NGO/CBO/FBO organisations for community level health-related activities. A related concern about pooled funding mechanisms from a civil society perspective is that of governance – civil society feels that government-controlled pooled financing modalities have often been planned and implemented without the participation and oversight of civil society. In sum, critics fear that donor funds get put inside a black box and then disappear both in terms of tracking and performance outcomes. They have evidence that government-controlled resources do not reach the local level (as little as 20%), where health programming is most needed, and thus that direct funding to CBOs might have a larger payment.

Finally, some critics have noted that there is a silver-lining to donor-controlled projects- or programme-financing, namely that it stays off the books (in terms of the country's public budget) and thus is not subject to IMF-mediated macroeconomic constraints. These IMF prescriptions limit overall government spending on health and may contribute to so-called substitution or sub-additionality effects whereby governments decrease their health spending in proportion to donor aid for health.

The pros and cons of the following are also discussed:

- The Global Fund to Fight AIDS, Tuberculosis and Malaria
- GAVI
- World Bank
- UNITAID Medicines Patent Pool Initiative
- European Commission Millennium Development (EC MDG) Contracts
- The International Health Partnership and related initiatives (IHP+)

There is a table comparing the benefits of focussing funds on health systems or specific disease focus (p40).

Benefits of health system focus:

- More consistent with new focus on comprehensive primary health at WHO, in European countries (especially Scandinavian), and US Global Health Initiative.
- More consistent with stated goals of developing country partners to strengthen health systems more broadly to be able to respond to local epidemiological needs and priorities.
- Serves as a platform to emphasise need for increased and better-trained human resources for health.
- Allows simplified support for national health plans through health sector or general budget support (contested).
- Likely to increase country-ownership and stewardship of WHO Joint Health System Strengthening Platform (HSS).
- More likely to result in better integration of services and more robust and durable primary health care service delivery.
- Can direct resources to less sexy health systems needs – labs, health information, procurement and supply, health sector planning/management, etc.
- Can increase attention to health facilities needs, transportation infrastructure, etc.

Benefits of priority disease focus:

- Better able to draw on mobilised health movements, especially those consisting of infected patients and affected communities.
- More effective at mobilising demand from affected constituencies.
- Better messaging that mobilises political support and sways decision-makers.

- Results in sharper focus, speedier and more results-based implementation, and ultimately greater accountability.
- Greater potential for learning and dissemination of best practices.
- May result in a greater focus on service quality.
- Global Health Initiatives are already a fact on the ground and can be used for diagonal strengthening of health systems and service integration with related health needs including maternal and child health, sexual and reproductive health, and even neglected diseases.

Is Harmonisation and Alignment Improving the Effectiveness of Health Sector aid?

Lewis D, Dickinson C, Walford V, HLSP, 2010

Attached. Not available online.

This report outlines the approaches to improving effectiveness of health sector aid:

- SWAps
- General budget support and sector budget support
- International Health Partnerships (IHP+)
- Harmonisation and Alignment of Multilateral and Bilateral Partners working in AIDS

Evidence that these approaches are improving the effectiveness of health sector aid and delivering better health outcomes is limited. It is intrinsically difficult to measure the impact of particular measures such as improved coordination. Furthermore, health outcomes are determined by many factors within and beyond the health sector, making attribution difficult. In particular, it is unclear how to separate out the impact of aid practices such as having a SWAp or more aligned aid, from the impact of the health strategies and policies followed, and the adequacy of financing and implementation capacity. Anecdotal evidence of the impact of aid effectiveness on results is emerging e.g. WHO et al (2008) report that in Mali "improvements in harmonisation and alignment among health partners are correlated with health sector gains," but more systematic data on the impact of approaches and tools that have been developed to increase harmonisation and alignment in the health sector is needed to provide an overall assessment of progress.

The report discusses effectiveness under the following question headings:

- How far has harmonisation and alignment and a results focus been implemented in the health and AIDS sectors?
- Has the quality of health plans and strategies improved, and the extent of national ownership?
- Is H&A improving the efficiency of resource use in the health and AIDS sectors?
- Are there greater incentives and better systems for demonstrating results?
- Has plan implementation improved, and are more resources available for priority services?
- Has the availability, quality and coverage of health services increased?
- Have there been improvements in health status?

Budget Support Versus Project Aid: A Theoretical Appraisal.

Cordella, T., & Dell'Araccia, G. 2007. *The Economic Journal*, 117(523), 1260-1279.

<http://dx.doi.org/10.1111/j.1468-0297.2007.02082.x>

Using econometric analysis this paper finds that budget support is preferable to project aid when the preferences of donors and recipients are aligned, and when assistance is small relative to the recipients' own resources. Furthermore, when donors cannot observe the recipient's type, they may impose higher levels of conditionality to separate committed governments from uncommitted ones.

Localising Aid: Sustaining change in the public, private and civil society sectors

Glennie, J., McKechnie, A., Rabinowitz, G., Ali, A. 2013. ODI, Centre for Aid and Public Expenditure

<http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8284.pdf>

This report examines the proposition that by external donors localising their aid – by which is meant transferring it to national rather than international entities –they can play a part in strengthening three sectors of society: the public sector (state); the private sector; and civil society. The focus is on system-strengthening and sustainability rather than other possible development objectives, namely improving short-term results and reducing costs.

Conclusions:

- Literature analysis and country studies suggest that localising aid is associated with improvements in state capacity. Reasons proposed are: 1) Localised aid systems incentivise increased technical and political engagement from donor agencies, civil society and domestic accountability bodies; and 2) they can buy donors “a seat at the government’s table”, enabling them to apply pressure for specific systemic changes via policy dialogue and aid conditions.
- Impact on state accountability is mixed. Pressure from donors that localise their aid has brought accountability actors more into play and encouraged state actors to be more open to vigilance. However, the deeper involvement in state processes implied by localising aid has led to accountability moving more towards donors than domestic stakeholders.
- Localising aid is not the only way to strengthen state systems, it is a crucial tool in the toolbox. And the main reasons for localising aid hold in all country contexts.
- Individual civil society organisations carry out many of the same institutional operations as state bodies, and the authors theorise that localising aid to the civil society sector will result in positive strengthening impacts.
- There are likely to be trade-offs between emphasising short-term results and longer-term system-strengthening approaches.
- Most of the issues and problems examined are political as well as technical, and need to be addressed as such. The failure to contemplate the political barriers to progress may explain why some practitioners have been over-ambitious for the impacts of new aid modalities.
- The complexity of decision-making on these issues emerged throughout the research, with a realisation that, for all the directives made at an international level, it is the “human factor” of well informed decision makers on the ground that is often crucial.
- There was an across-the-board consensus in the literature and in interviews that better information sharing, which includes the now-popular principle of transparency, is one of the most critical factors of progress and one on which much still needs to be done.

7. Country-specific research on different aid modalities

Aid alignment: a longer term lens on trends in development assistance for health in Uganda

Stierman, E., Ssengooba, F. & Bennett, S. 2013. Globalization and Health, 9:7

<http://www.biomedcentral.com/content/pdf/1744-8603-9-7.pdf>

Over the past decade, development assistance for health (DAH) in Uganda has increased dramatically, surpassing the government’s own expenditures on health. Yet primary health care and other priorities identified in Uganda’s health sector strategic plan remain underfunded. Using data available from the Creditor Reporting System, National Health

Accounts, and government financial reports, trends in how donors channel DAH and the extent to which DAH is aligned with sector priorities were examined. Despite efforts to improve alignment through the formation of a sector-wide approach (SWAp) for health in 1999 and the creation of a fund to pool resources for identified priorities, increasingly DAH is provided as short-term project-based support for disease-specific initiatives, in particular HIV/AIDS. These findings highlight the need to better align external resources with country priorities and refocus attention on longer-term sector-wide objectives.

Vertical funding, non-governmental organizations, and health system strengthening: perspectives of public sector health workers in Mozambique

Mussa, A. H. 2013. Human Resources for Health, 11:26

<http://www.human-resources-health.com/content/11/1/26/abstract>

This paper explores the perspectives and experiences of key Mozambican public sector health managers who coordinate, implement, and manage the myriad donor-driven projects and agencies. It concludes that the Ministry of Health attempted to coordinate aid by implementing a “sector-wide approach” to bring the partners together in setting priorities, harmonising planning, and coordinating support. Only 14% of overall health sector funding was channelled through this coordinating process by 2008, however. The vertical approach starved the Ministry of support for its administrative functions. The exodus of health workers from the public sector to international and private organisations emerged as the issue of greatest concern to the managers and health workers interviewed. Few studies have addressed the growing phenomenon of “internal brain drain” in Africa which proved to be of greater concern to Mozambique’s health managers.

How Much Does Aid Effectiveness Improve Development Outcomes? Lessons from Recent Practice

Killen, B. 2011. Busan Background Papers

<http://www.oecd.org/dac/effectiveness/48458806.pdf>

Health has been studied in detail from the point of view of aid effectiveness. Findings here – ranging from early work on Sector-Wide Approaches (SWAPs) in the 1990s to the findings of the High Level Forum on the Health MDGs and Working Party on Aid Effectiveness’s task team on Health as a Tracer Sector – have underlined the importance of the Paris principles for delivering development outcomes. Ownership (particularly in the form of strong health sector plans linked to the budget and medium term expenditure framework); alignment (especially through support for countries’ health systems) and predictable long-term finance in particular have emerged as key factors in supporting better health. Two examples from evaluations in Tanzania show how effective support to country led-strategies and capacity development reduces child mortality.

Child mortality rates in two large rural districts of Tanzania have fallen by more than 40 per cent over five years following a unique 10-year project carried out by a team of Canadian and Tanzanian researchers and health workers. The Tanzania Essential Health Interventions Project (TEHIP) provided health planning teams in the districts of Morogoro and Rufiji with the tools, strategies, and funding increases of US \$1 per person per year to improve on-the-ground health care delivery. The key was focusing not on how much was spent on health care, but on how it was spent. By ensuring that limited resources were spent on the diseases that caused the greatest harm, that the right medicines were available at the right time, and that health personnel were trained to treat patients effectively, the project has proven that a country-led integrated approach to managing a health system is key to improving community health.

The Health Metrics Network (a donor institution hosted by WHO) invested in some of the poorest districts, to support planning, management and strengthening of health information systems with community involvement. This aid for effective country health systems has contributed to a 50% reduction in child deaths between 1997 and 2006.

Pakistan: Punjab Devolved Social Services Program

ADB. 2012. Evaluation Report. Asian Development Bank (ADB).

<http://www.adb.org/sites/default/files/PPER-PUNJAB-DSSP.pdf>

The Asian Development Bank (ADB) approved a loan in 2004 to strengthen devolved social services for a more equitable, efficient, effective, and sustainable delivery of social services in line with the Punjab Local Government Ordinance (PLGO) of 2001. ADB provided a loan and UK DFID co-financed USD30 million as budget support and USD20 million as a technical assistance grant. The funds were allocated as follows: 65% in health, 17% in education, and 18% in water supply and sanitation. The programme is rated as less than successful. While the design and technical content of the program were largely sound, the programme itself was not attuned to the political and institutional dynamics surrounding the federally driven devolution agenda. Following the 2008 national elections, the new national and provincial governments withdrew their commitment to devolution. The programme, as complex and ambitious as it was, lacked elements or emphasis that international experience has shown to be necessary to successfully devolve.

7. Further information

Author

This query response was prepared by **Laura Bolton** and **Stephen Thompson**

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