

FINANCING OPTIONS, PER and NMSF COSTING

**Technical Review Meeting 22nd
– 24th September 2010
MLIMANI CITY - DSM**

Background

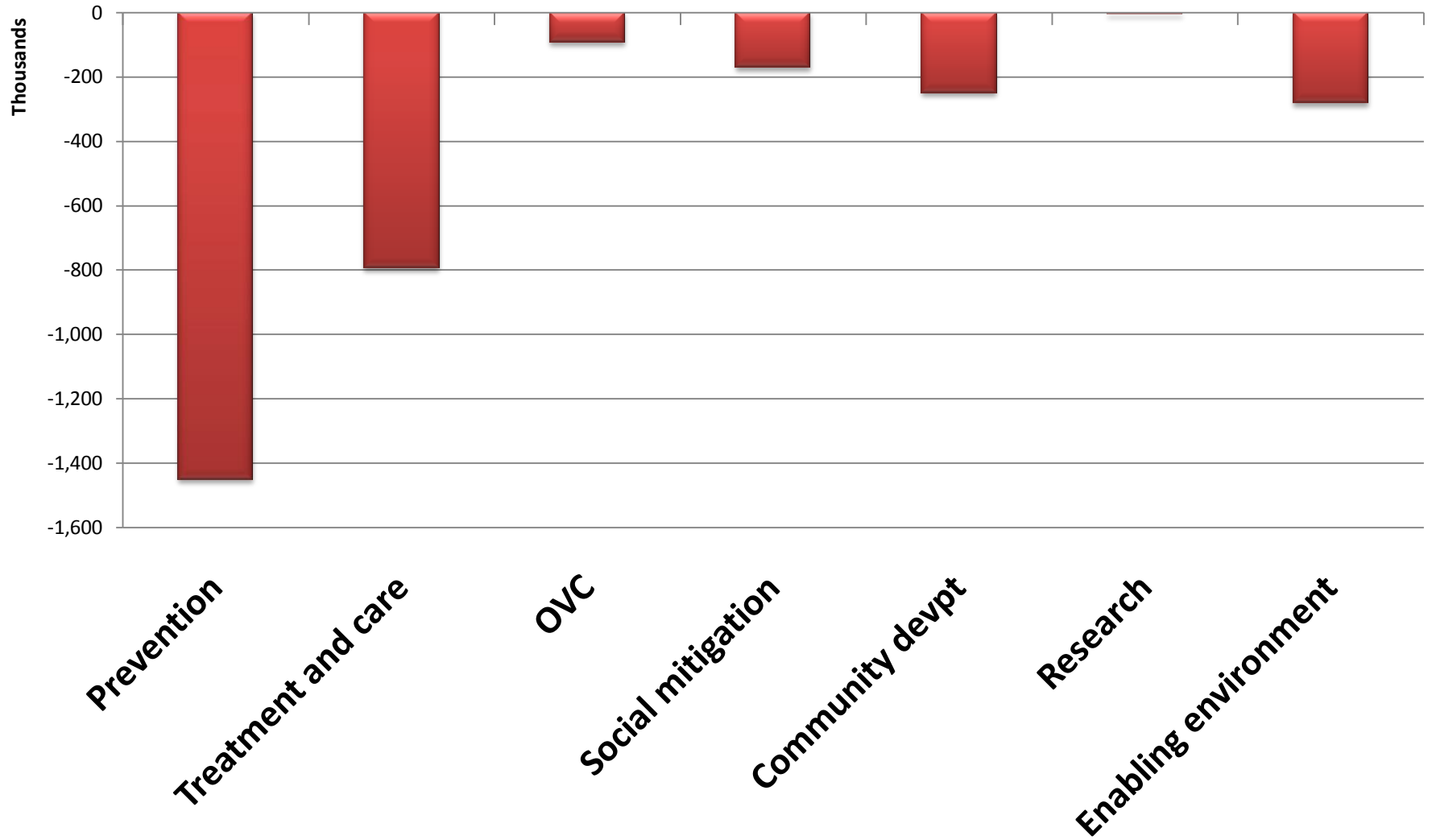
- NMSF costing (2008 – 2012), Public Expenditure Review Study (2007-2009) and other financial issues
- NMSF was costed using ASAP (**AIDS Strategic Action Plan**) module
- 10 LGAs in 10 Different Regions were involved in PER – focusing on all HIV and AIDS programs.
- PER -
Health, Agriculture, Education, Defence, Community Development and Water
- Foundation for Civil Society, BAKWATA, NACOPHA, CSSR, NACONGO, SHIVYAWATA, TANGO, TGNP.

Introduction

- Costed NMSF 2008–2012 requires about 6.1 trillion shillings for 5 years,
- Currently NMSF is financed by 3.4 trillion for 5 years
- 50% financed – **a gap!!**
- HIV and AIDS budget is 97% donor dependent.
- 75% of funding btwn 2007 - 2009 went to 5.7% infected Tanzanians.

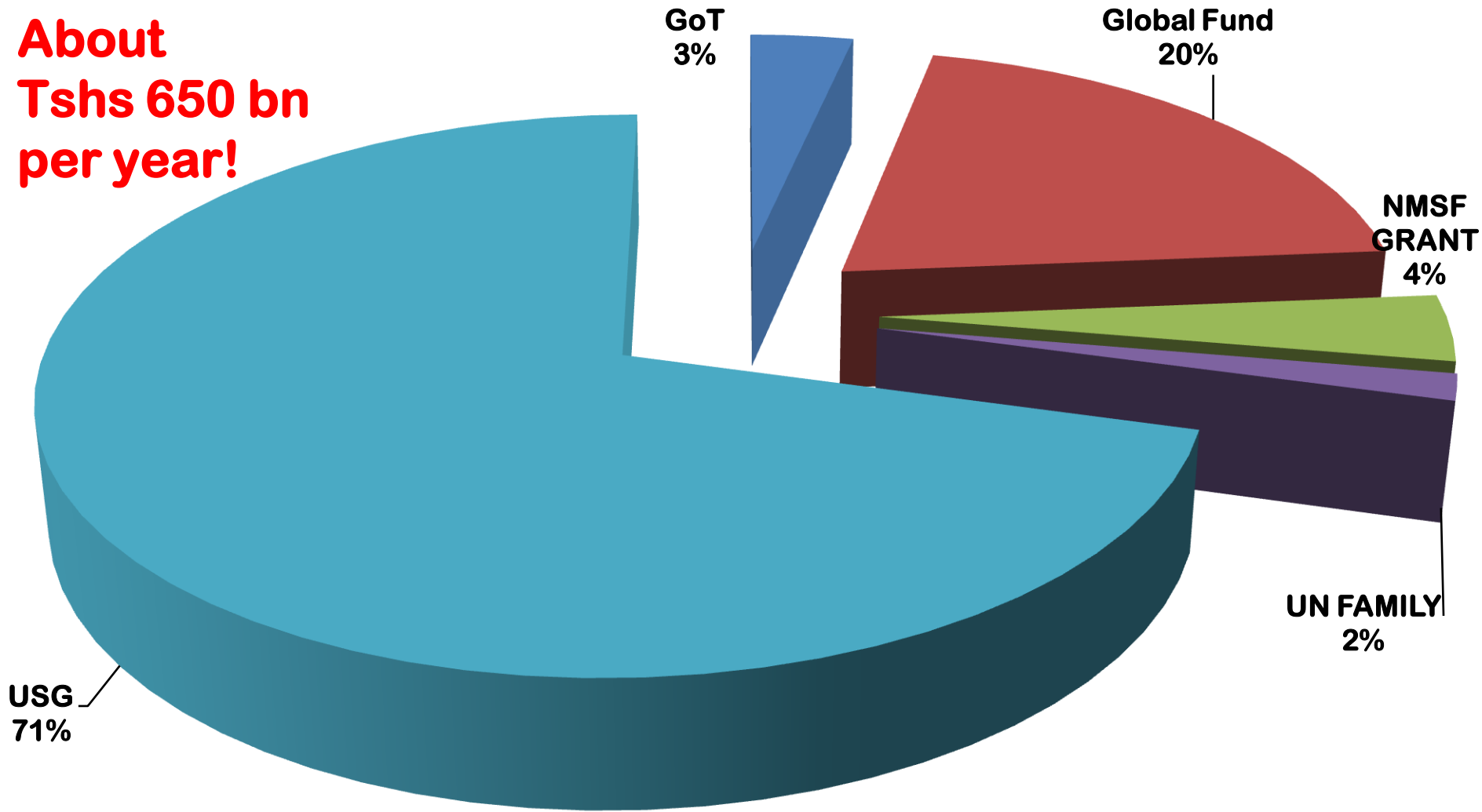


NATIONAL GAP ANALYSED

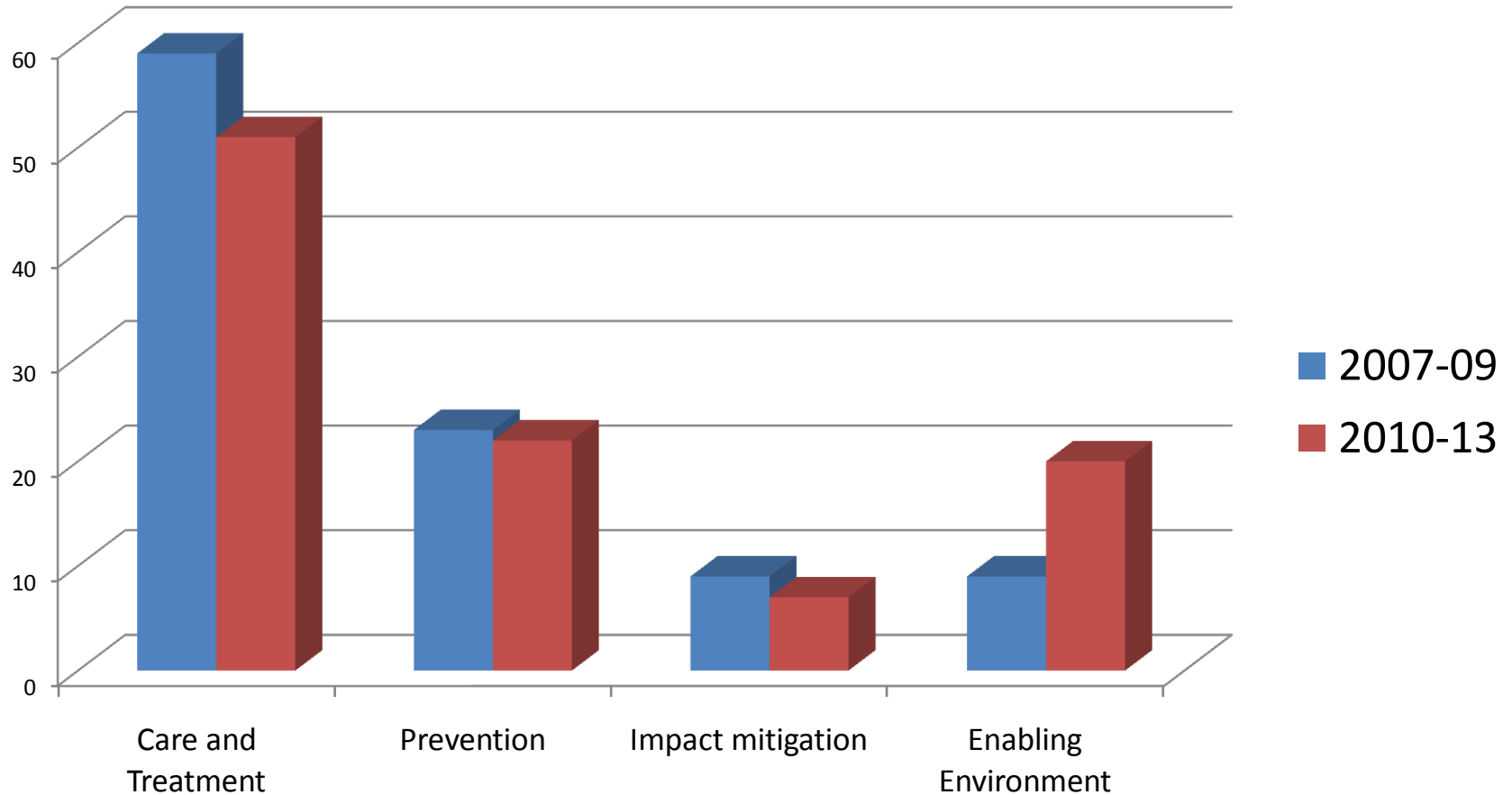


What do we have?

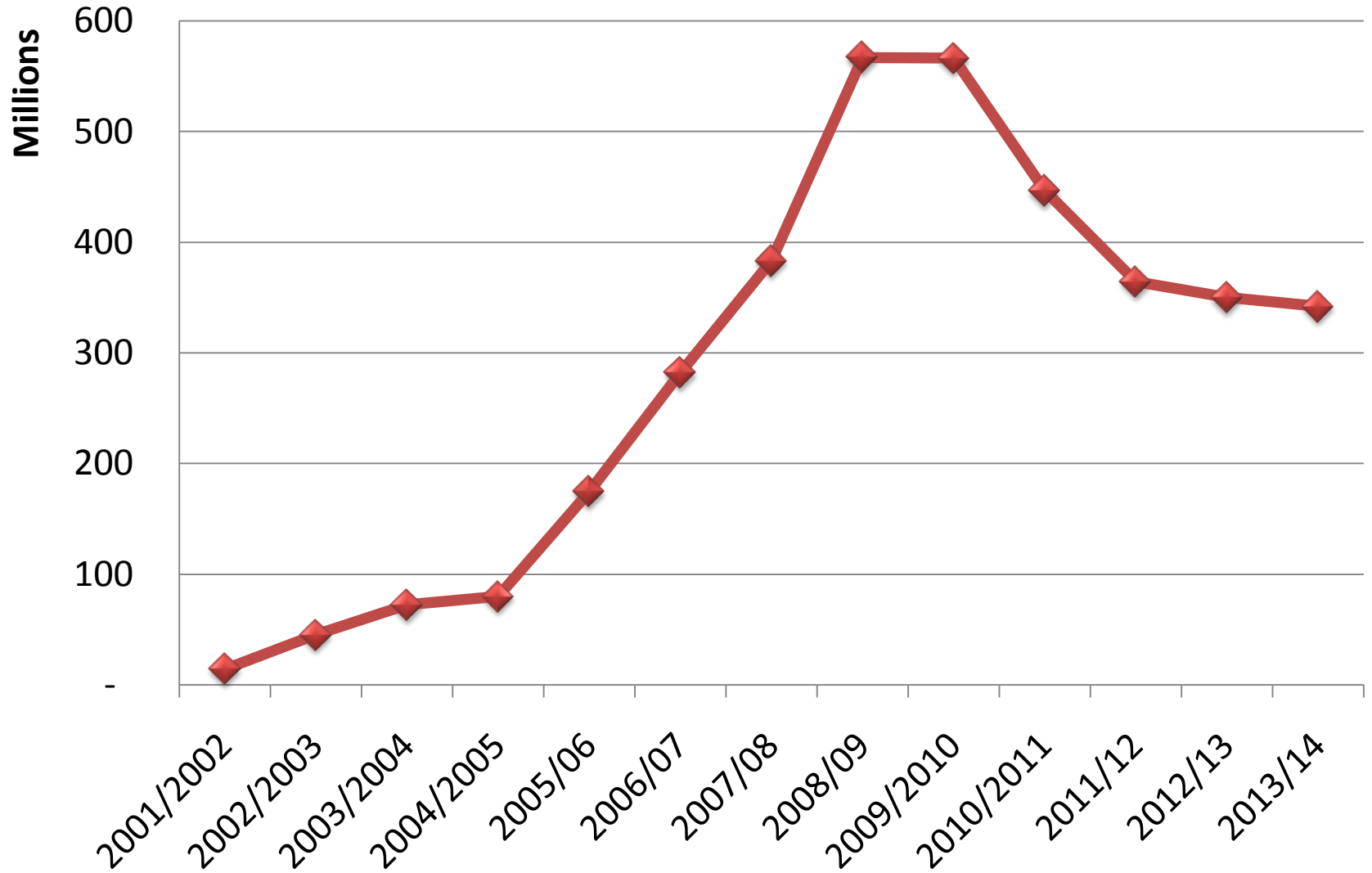
**About
Tshs 650 bn
per year!**



How do we finance NMSF?



GENERAL TREND



Development partners

- **Active:** CIDA, DANIDA, JICA, GDC, USG, WB, UN, DCI, SIDA, NORAD, GFATM, Netherlands, DFID and SDC
- 90% of all foreign funding comes from two donors: GFATM 16% and PEPFAR 74%.
- Remaining 10% come from 13 other multi- and bilateral donors. Small but politically significant donors
- Most DPs not mentioned here are financing HIV thru GBS
- Since 2008 some DPs have phased out their support to HIV and AIDS.
- USG and GFATM are not part of the dialogue on GBS.
- There is improvement in predictability (PEPFAR, NMSF, GF)

MDAs

- **Largest spender is Health – 59% and TACAIDS 23%, Other MDAs 18%**
- **There is a big variations between the years i.e. TMAP**
- **MOHSW is externally financed 90% TACAIDS 84%**
- **All MDAs have TACs, conducted training and sensitization workshops**
- **Defense has a program for 70,000 employees (VCT, PMTCT, OVC, Tx)**
- **Education has education program for all schools.**
- **Agriculture mainstreamed into training curriculum and IEC guide for nutrition.**

LGAs

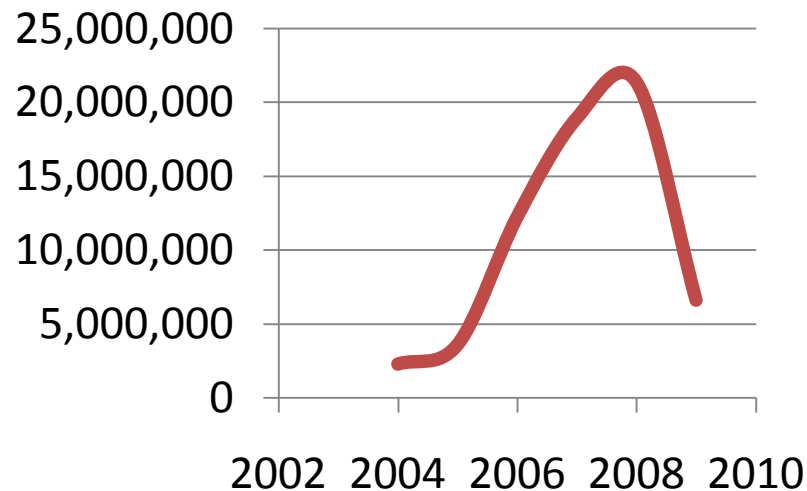
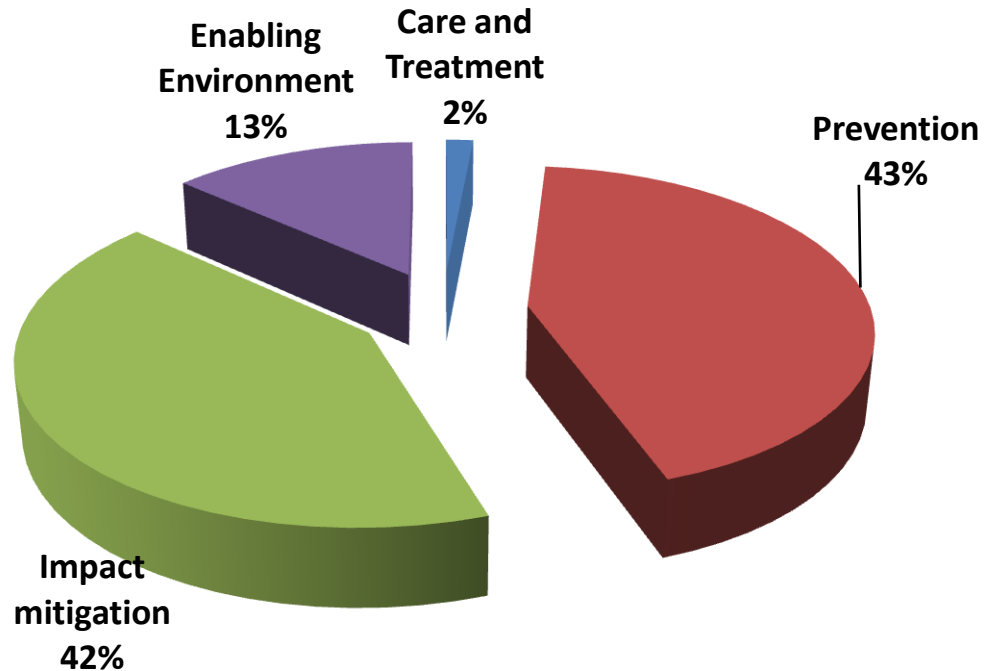
- **Main supporters: GFATM, NMSF Grant and MOHSW centrally.**
- **Some LGAs have re-mapped the CSOs**
- **Started some useful ways of collaborating between the depts.**
- **Most do not know PEPFAR as a donor.**
- **IFMS is not fully functional.**

CSOs

- Now est. at 18,000 – believed to receive about 70% of HIV resources
- Coordination structures established, but transparent representation is questionable
- Mistrust between CSOs and Govt (partners Vs competitors)
- CSOs activities not known by LGAs
- CSOs roles not clear (governance Vs service providers)
- Presence – off budget less accountability

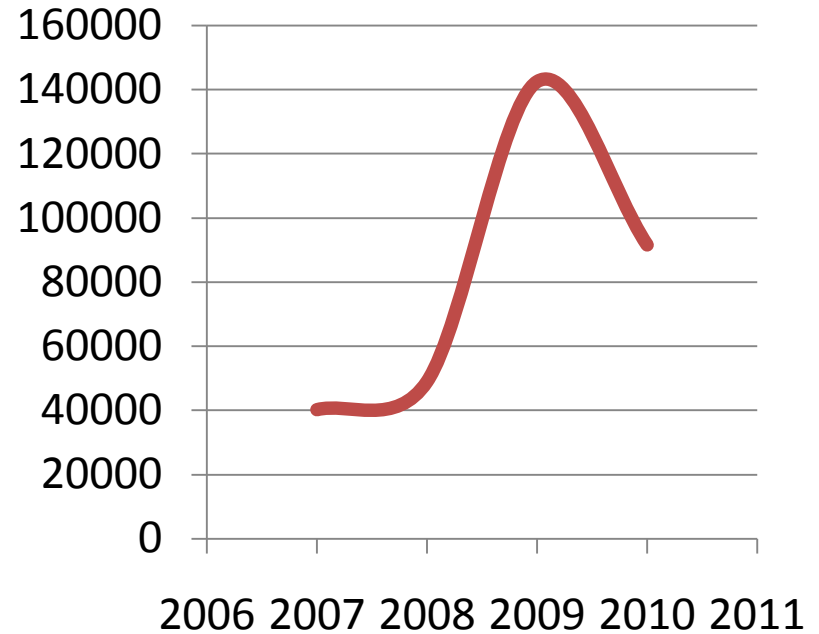
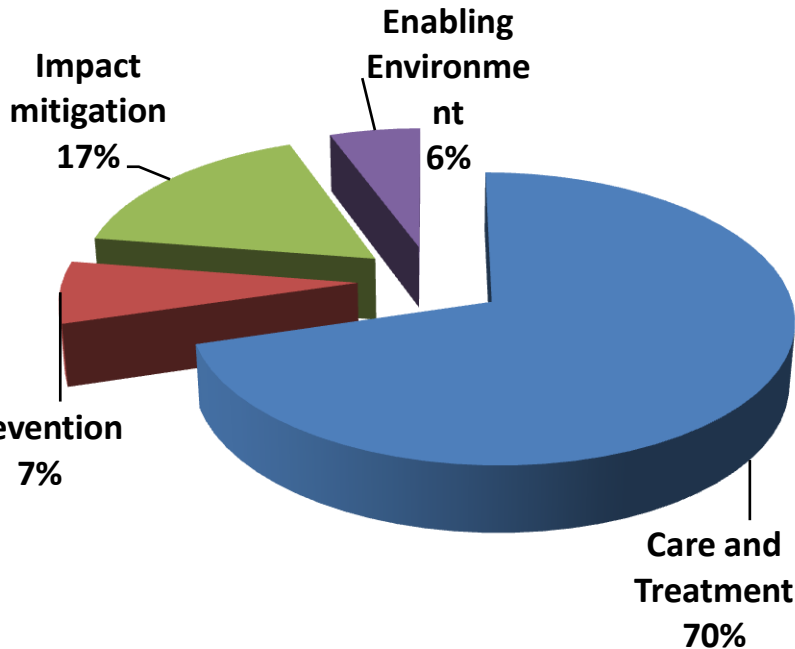
World Bank - TMAP

- Contributed \$65 million 2003 – 2010
- Facilitated WPP in public sector
- Facilitated installation of national M & E system and coordination structures



- Capacity building to the RS, LGAs and CSOs
- Good governance to 22 Districts
- Regional Programs e.g. GLIA and ARCAN

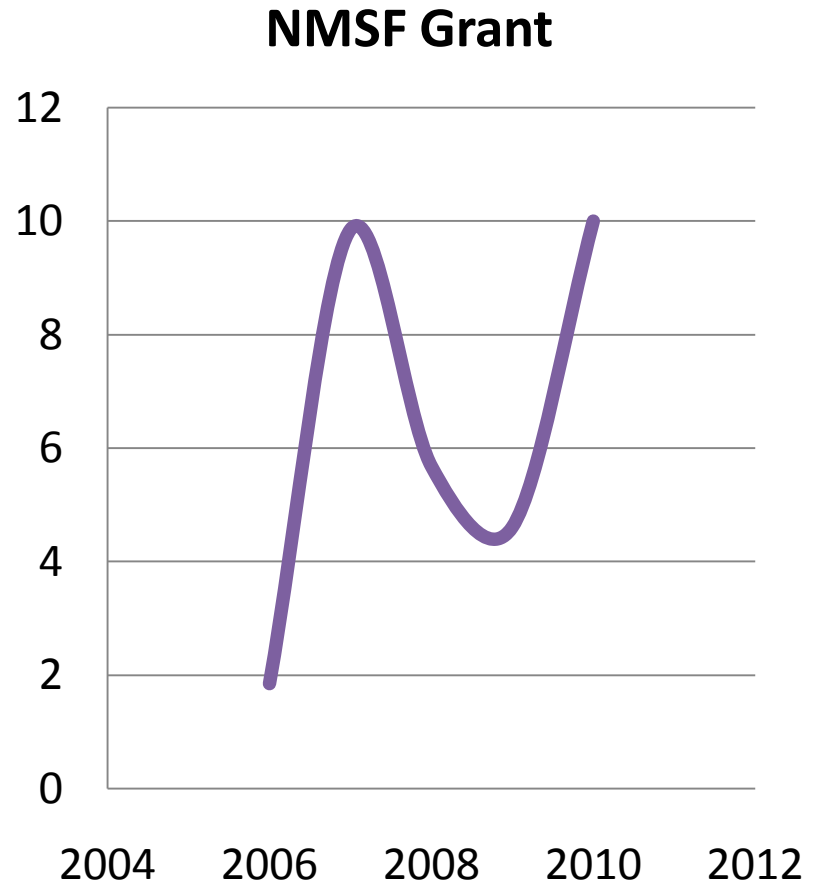
Global Fund



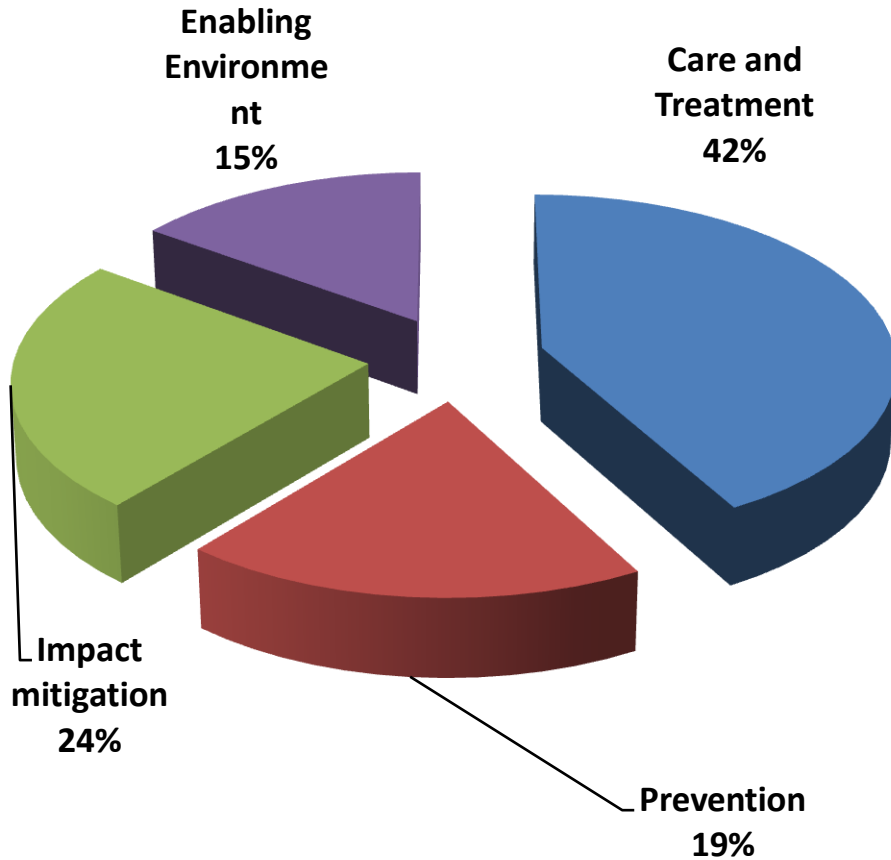
- Increased capacity and Public Private partnership
- Un aligned planning, budgeting and reporting cycle
- From 2011 only 14 LGAs will be supported.

NMSF GRANT

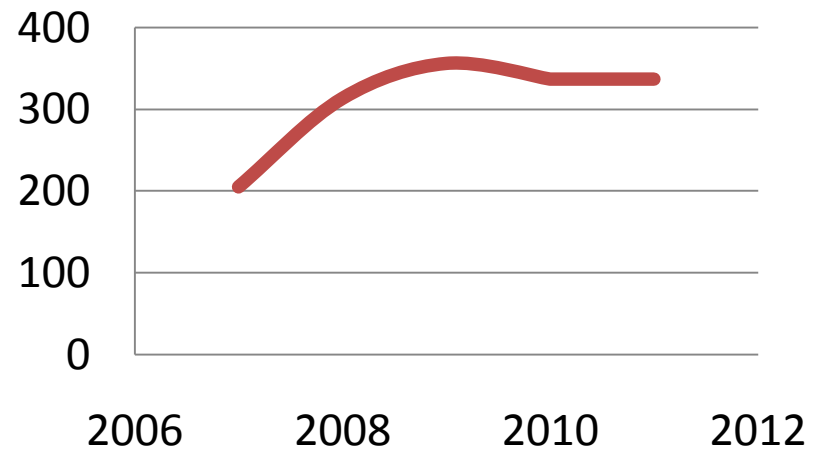
- Experience has shown only 50% of the budget has been funded so far
- However, execution by implementers is 93%
- Mgt. of NMSF grant is improving i.e. system has been built up
- PER 2010 revealed that only 20% of the LGAs know the formula used to distribute resources.



PEPFAR PROGRAM



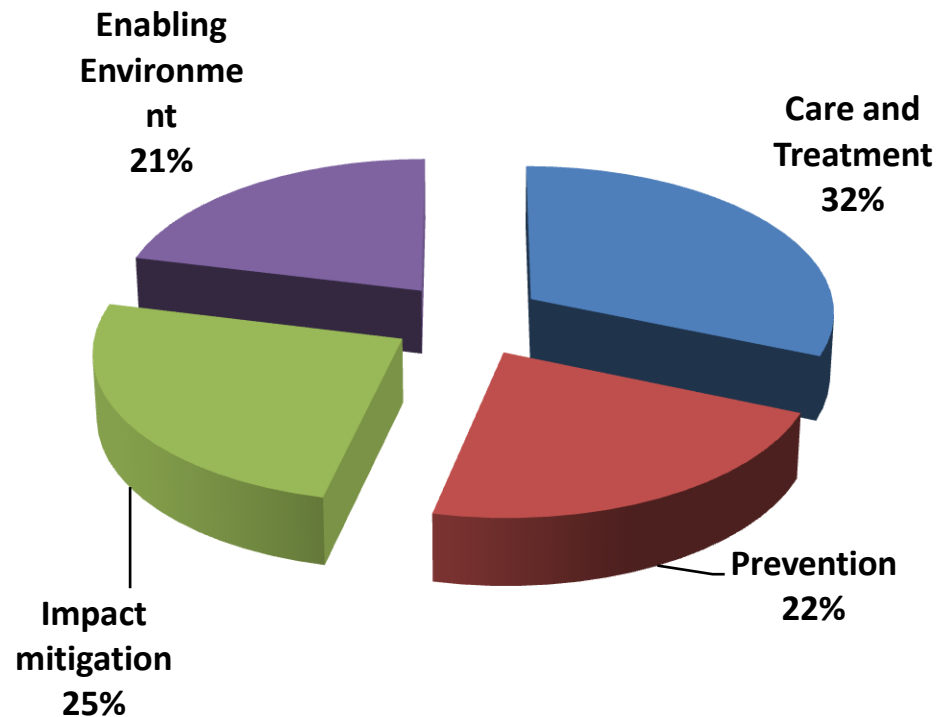
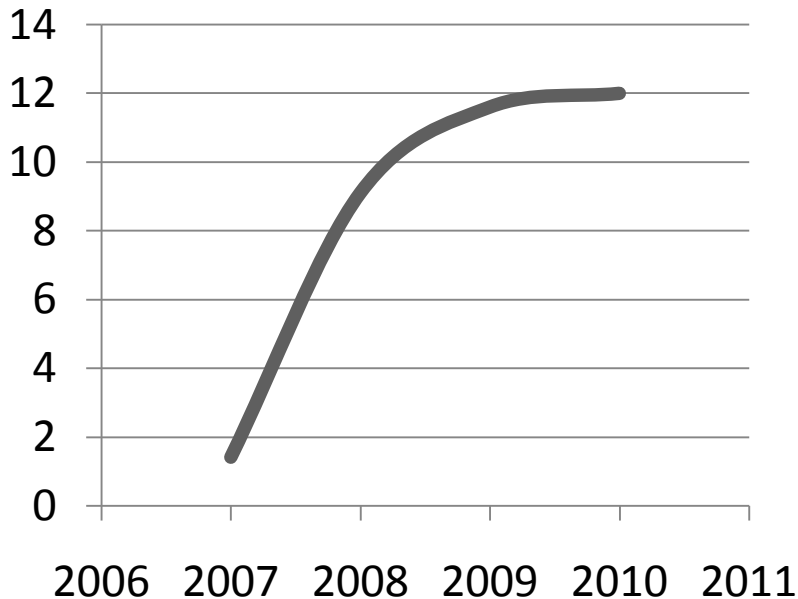
- **USG and GoT negotiated and signed a new grant .**
- **A plan for 2009 -2013 was developed**



UNJP

Contributors are
**UNAIDS, WHO, ILO, WFP, UNICEF, UNFPA, UN
DP and UNESCO**

UNJP provide capacity to
MDAs, CSOs and LGAs
through Community
Capacity Enhancement
UNVs 42

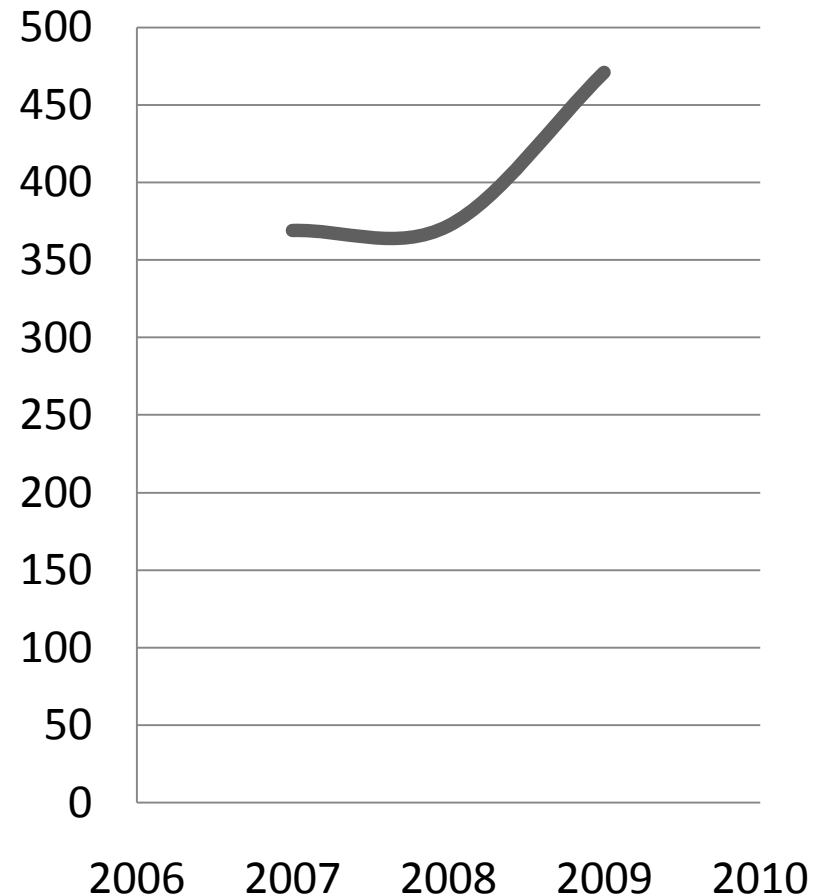


Health sector HIV financing

- Health basket supports HIV in a range of 5% to 40%
- Implementation is thru CCHP; follows GOT procedures
- Mainly financing VCT, PMTCT, WPP, TB/HIV
- Development partners who are directly supporting NACP are:
 - NORAD
 - CDC
 - GFATM
 - SIDA
 - JICA
 - PharmAccess
 - CHAI
 - IEDEA

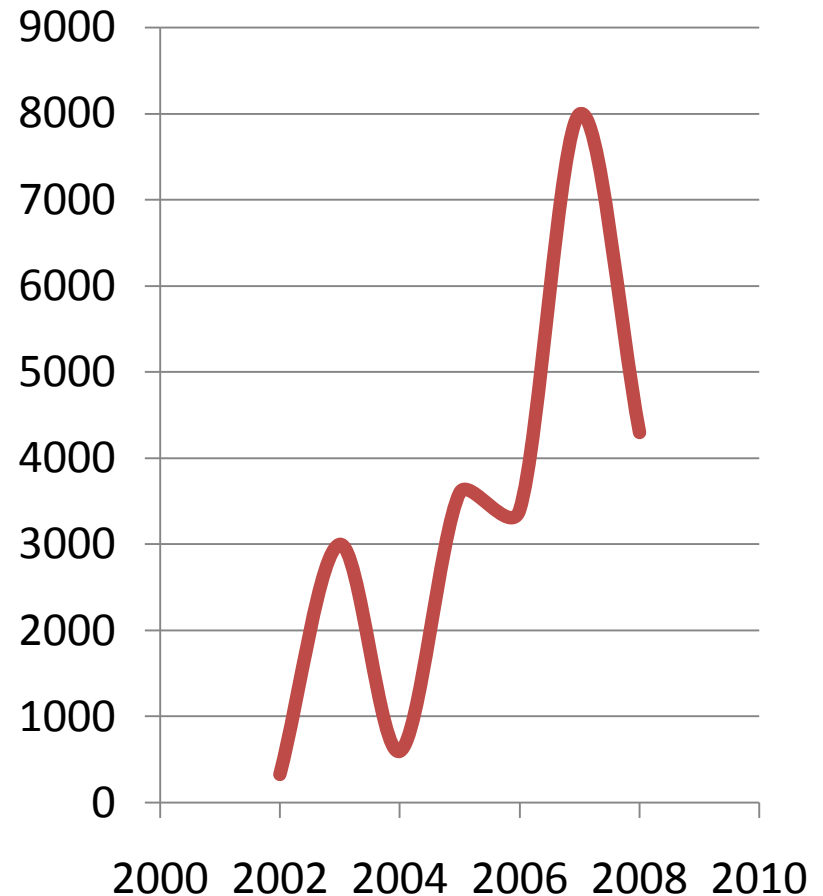
Foundation for Civil Society

- Intended to be a mirror of the growing trend to GBS through CSOs
- Promote a basket fund for donors to contribute to civil society alongside general budget support.
- The FCS is largely supported by bilateral funders
- Has supported about 62% on of its grants to HIV and AIDS



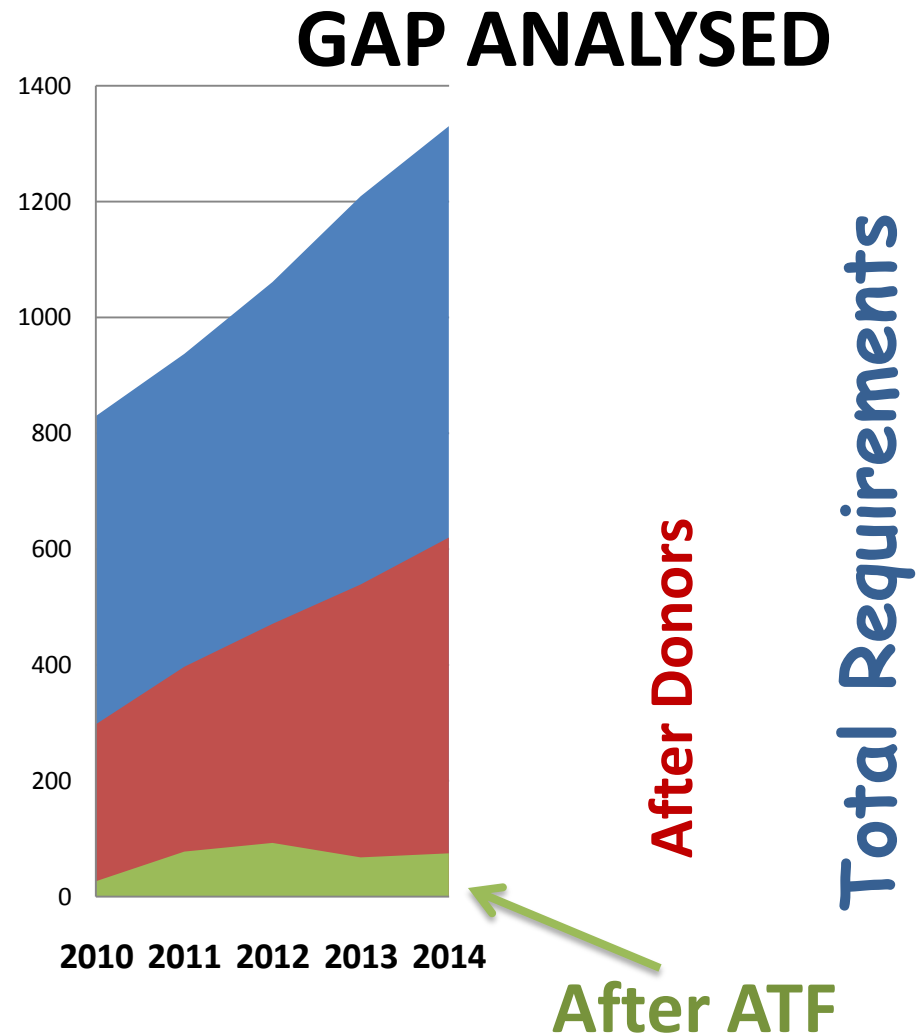
RFE

- Created in 2002,
- Has made 166 grants for HIV/AIDS projects in the range of \$50,000 to \$200,000
- total of about US\$ 23.3 million.
- These grants are for 1 year with possible 2-3 years extension.
- To date, all regions of Tanzania including Zanzibar have received at least one RFE grant.

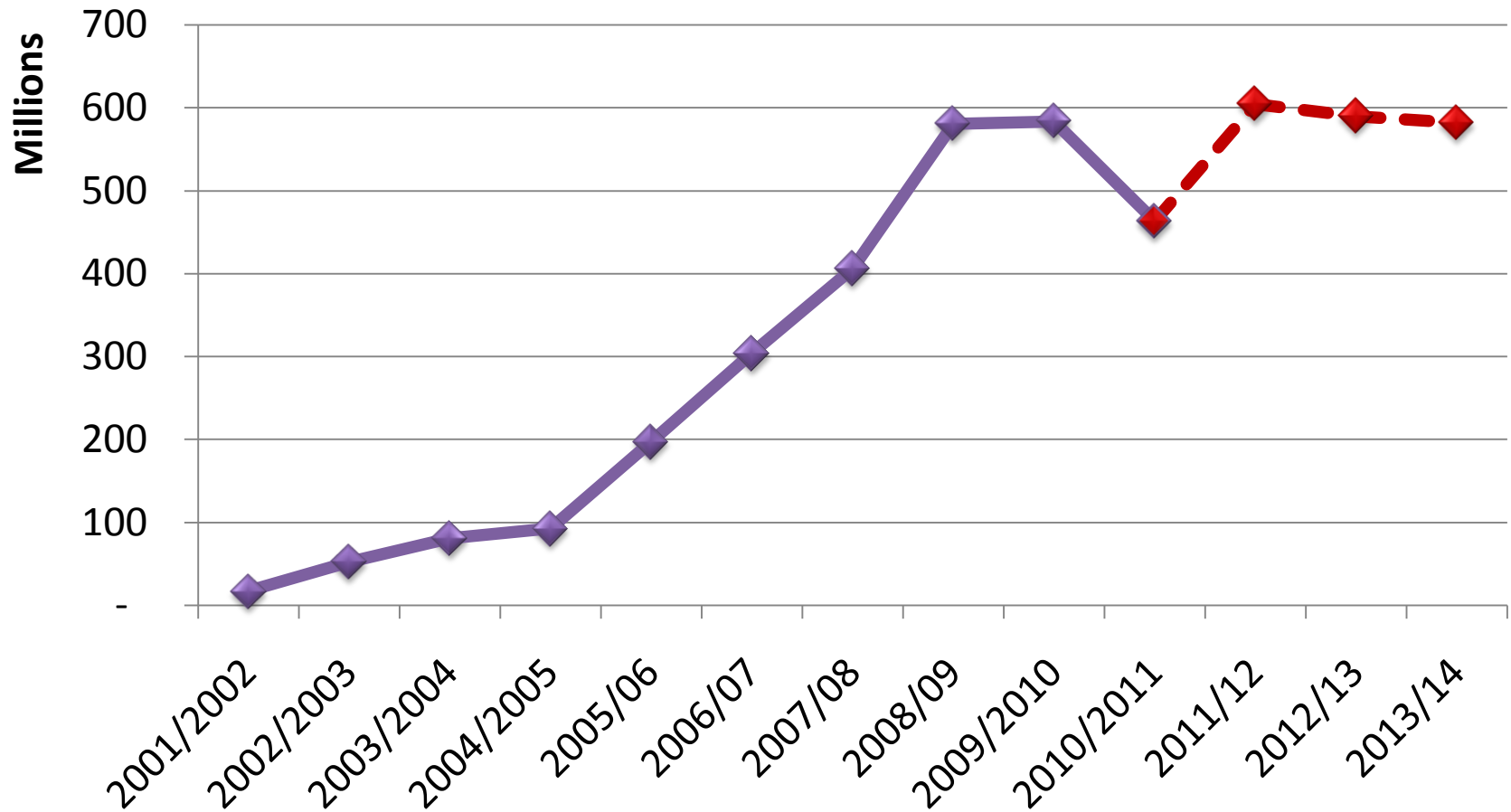


AIDS TRUST FUND (ATF)

- Local mechanism of resource mobilization **to fill gap** for HIV
- Trust Fund is a complimentary method and is not replacement of external donors
- Sources of funds for ATF will be:
 - grants and donations
 - Taxes and levies
 - Local donations and bequests
 - Raffles and Public Events
 - Investment Income



If Trust Fund starts..



Strengths

- A cross-ministerial budget line (objective A), allows MDAs, LGAs and RASs to plan and budget for HIV/AIDS interventions – **UNIQUE**
- Availability of planning tools i.e. Minimum package, attached COPTA to O & OD
- Prevention strategy and its action plan
- A multi-sectoral and comprehensive strategic framework

Challenges

- **Unmet gaps of services – NMSF gaps**
- **Delayed guidelines**
- **Delayed releases of funds**
- **Untimely reporting by implementers**
- **Integrating HIV program into Govt regular activities.**
- **Dilemma: short term sustainability - treatment programs attract more resources (not a sustainable approach in the long run)**

Public Expenditure Review

RECOMMENDATIONS

Recommendations

A. Strengthen the coordination

- integrate HIV/AIDS in all clusters in the revised MKUKUTA
- coordinators at all levels need resources and recognition and be linked to Finance/Planning
- provide guidance
- release grants in full and on time

B. Enhance the involvement of CSO

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

Recommendations, cont. II

C. Increase local financing

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

Recommendations, cont. III

D. Increase transparency and predictability

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

Recommendations, cont. IV

E. Focus on prevention

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