



» ECA Special Report: EC Development Assistance to Health Services in sub-Saharan Africa

Main Conclusions of the Court

- Overall EC funding to the health sector is below policy commitments and benchmarks.
- The Commission has insufficient health expertise to implement its health policy.
- Funding instruments, including General Budget Support, remain unpredictable.
- General Budget Support has not been effective in improving health systems.
- Projects have been effective but unsustainable.
- Commission funding instruments are not maximised for synergies and impact.

The European Court of Auditors (ECA) released a Special Report No 10/2008¹ in January 2009. The objective of the audit was to assess how effective European Commission (EC) assistance has been in contributing to improving health services in sub-Saharan Africa in the context of the EC's commitments to poverty reduction and the Millennium Development Goals (MDGs). The audit examines whether the financial and human resources allocated to the health sector reflects the EC's policy commitments and whether the Commission has accelerated the implementation of this aid. The audit also assesses how effectively the Commission has used various instruments to assist the health sector, notably budget support, projects and the Global Fund to fight AIDS, Tuberculosis and Malaria (GF).

Main findings

1. Resources allocated by the Commission to the Health Sector

Overall EC funding to the health sector is below policy commitments and benchmarks. EC funding to the health sector has not increased since 2000 as a proportion of its total development assistance despite policy commitments made by the European Commission, European Parliament and the EU Members States acting in the Council.² Direct aid for the health sector in country programmes in sub-Saharan Africa fell from 5,1 % under the 8th European Development Fund (EDF)³ to 3,6 % under the 9th EDF, while under the 10th EDF allocations were programmed for just 3,5 %.

Sector Budget Support⁴ has been little used for health and General Budget Support has not clearly improved health services. Up until 2000, counterpart funds arising from the programmes were directly allocated to national health and education budgets, with an estimated EUR 800 million (EUR 80 million per annum; 35 % of counterpart funds) being provided to the health sector over the period 1990–1999. Since 2000 the EC has changed the modalities in which it provides ODA, with General Budget Support (GBS) becoming increasingly important as a European aid instrument. In this regard, the EC has set the objective to grant 50% of its development aid through this form of assistance by 2010.



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GBS makes it difficult to verify where Commission funds go and often impossible to evaluate whether specific areas within a given sector receive aid – such as Sexual and Reproductive Health (SRH) within the health sector.⁵ If it is assumed that countries spend the GBS they receive in line with the relative national shares of ministry budgets, this would mean that approximately EUR 200 million was used for health under the 9th EDF (EUR 33 million per annum), since health budgets on average make up 9-10 % of total national budgets in sub-Saharan Africa. This percentage is much less than the 35 % previously earmarked for health by the Commission.

The Court found that in most countries GBS did not lead to increased resources being channelled through national health budgets. In some cases, beneficiary countries use budgetary support to reduce their fiscal deficits rather than increase their health spending. Moreover, the Commission has not systematically encouraged countries to increase national health budgets. In only five of twelve countries did General Budget Support Financing Agreements include health budget allocations as a performance indicator.

"Vertical" funding for disease-specific programmes is favoured over "horizontal" health systems strengthening approaches. The Commission contributed significant funding to help launch the Global Fund but has not given the same attention to strengthening health systems, although this was intended to be its priority. The relatively large Commission funding for disease-specific interventions compared to that for health systems reveals how over the period 2000-2005 it invested significant efforts in drawing up and implementing action programmes for its HIV/AIDS, Malaria and Tuberculosis policy initiative. On the other hand, it has paid less attention to implementing its broader health policy.

Furthermore, according to the audit survey, in approximately half of the countries which received GBS, a health SWAp had not yet been established. This points to the insufficient attention given by the Commission to the importance of ensuring SWAps are established in order to make GBS effective in improving health services.

The Commission has insufficient health expertise to ensure the most effective use of health funding. Of the 37 delegations in sub-Saharan Africa which replied to the Court's survey, 13 delegations have in total 18 staff with university level qualifications in health related fields. Only four of these are permanent officials of which just one works full-time on health. This lack of expertise is also true for the EC Headquarters in Brussels.

Court Recommendations on Resource Allocations

1. In the context of its policy of supporting the achievement of the Millennium Development Goals, the Commission should consider increasing its support to the health sector during the tenth EDF mid-term review.
2. The Commission should review the balance of its funding to ensure that this reflects its policy priority of focusing on health system support.
3. The Commission should ensure it has sufficient health expertise to adequately implement its health sector policies and interventions and play an effective role in health sector dialogue. To this end it should, as a minimum, ensure that all delegations where health is a focal sector have health specialists.



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Speed and Predictability of disbursements. The speed of the implementation of 9th EDF health sector interventions in sub-Saharan Africa have significantly increased compared with the 8th EDF. However, the Court found that speed and predictability were reduced by delays in countries requesting eligible payments, mainly due to problems in collecting data for the performance indicators (e.g. Burundi, Kenya, Mali).

2. Global Fund

The Commission played an important role in the setting up of the Global Fund but has done little to support or monitor it at country level. Guidance notes issued by Commission headquarters have 'encouraged' delegations to support Global Fund operations. The main recommendations towards the EC, based on the Court's survey, include the following:

1. **Actively participating in Global Fund Country Coordinating Mechanisms (CCM) and help strengthen them:** only 35 % of delegations participate in the CCMs
2. **Reporting on aspects of the Global Fund functioning in country:** just 8 % of Delegations reported regularly to Commission headquarters, 59 % reported occasionally while one third had never reported. While the Commission is on the Global Fund Board its lack of feedback on Global Fund operations from Delegations has reduced its capacity to act at this level to improve the effectiveness of operations
3. **Providing technical assistance for developing grant proposals and assisting implementation:** the Global Fund has particularly stressed the need for the international community to provide technical assistance in sub-Saharan Africa to address this problem, but the Commission has not responded to this need.

The Global Fund has made a significant contribution to tackling HIV/AIDS, malaria and tuberculosis but it depends on complementary long-term health system support from donors to become more effective. The role of the Global Fund in health system strengthening and poverty reduction are issues which have not received adequate attention from the Commission, at either Board or country level. This reflects the limited overall involvement of delegations in Global Fund operations and the insufficient priority Commission headquarters has given to ensuring delegations' involvement.

Court Recommendations on Speed and Predictability

4. The Commission should work more closely with the Global Fund to accelerate the implementation of its programmes by providing technical assistance support to beneficiary countries.
5. The Commission should make its budget support for health more predictable by ensuring that it is prepared to intervene with alternative instruments in cases where countries lose their eligibility for budget support.



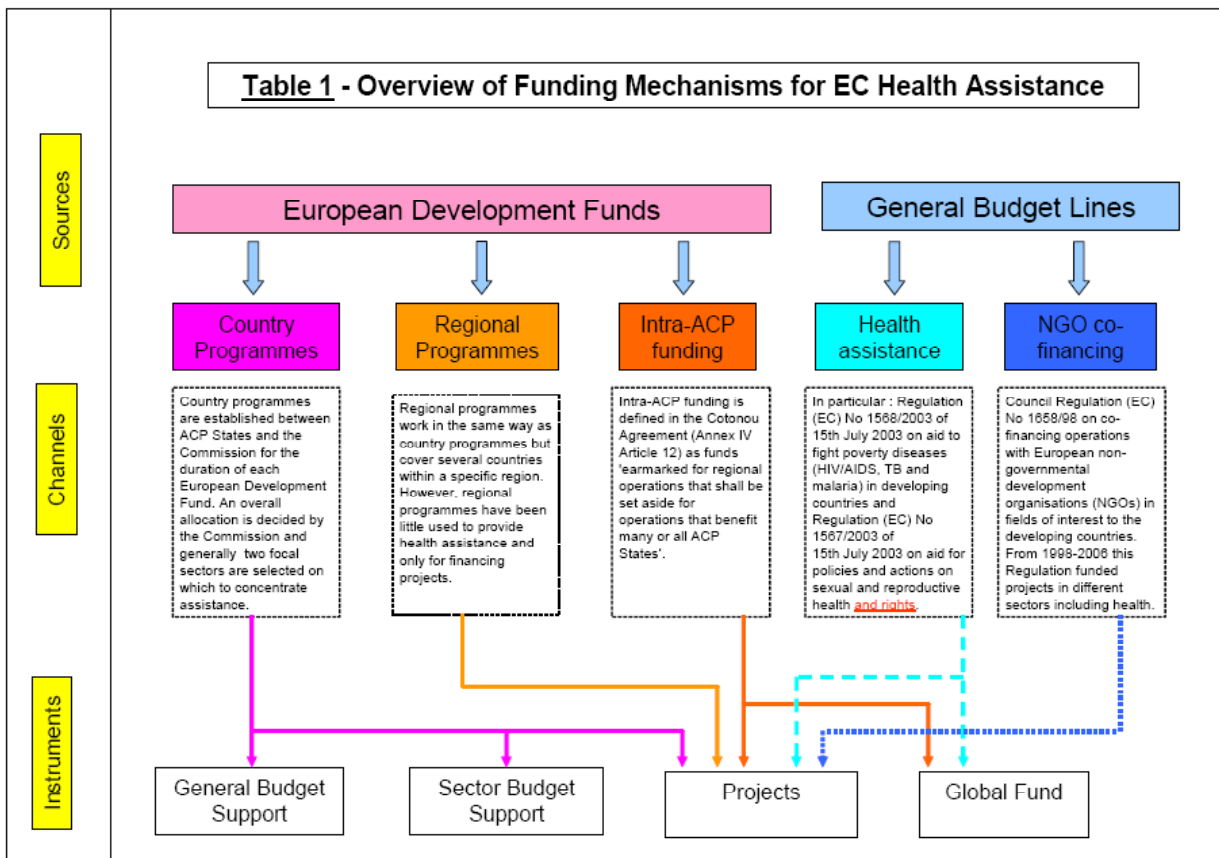
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3. EDF Projects

Overall EDF projects (see Table 1) have been reasonably effective but in most cases their sustainability is in doubt. Positive features of EDF projects were their contribution to improving the quality of policies and service delivery. On the other hand, the projects examined by the Court in most cases did not specifically target poorer sections of the population, although they had the potential to have an impact at regional and district level. For most projects the prospects for their sustainability were not high.

General Budget Line projects (see Table 1) have mainly been effective, with the exception of centrally managed projects, but sustainability is often in doubt. General Budget Line health projects are mainly implemented through NGOs and other non state actors. The Court examined nine such projects in Kenya, Malawi and Mali. The effectiveness of three projects was assessed as satisfactory and of the other six as partially satisfactory.



Source: European Court of Auditors, "Special Report No 10/2008 EC Development Assistance to Health Services in Sub-Saharan Africa," p.10, <http://eca.europa.eu/portal/pls/portal/docs/1/2020216.PDF>



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Particularly positive aspects of these types of projects: they were targeted at poverty-related issues and often provided basic services in remote areas where government services were less present; in sensitive areas such as HIV/AIDS many people, particularly youth, preferred to be assisted by NGOs rather than visit government health services; these projects were easier than larger EDF projects for the Commission to supervise, and hence less prone to delay, since all project activities came under one NGO contract; the projects provided high visibility for relatively low funding.

Court Recommendations on the Management and Effectiveness of Instruments

6. Greater use should be made of Sector Budget Support.
7. The sectoral dimension of general budget support should be strengthened.
8. The Commission should take on greater ownership of the Global Fund at country level.
9. The Commission should make greater use of the project instrument to provide policy and technical support and advice (EDF projects), to finance pilot interventions (Health General Budget Line projects) and to provide health care in poorer regions not adequately covered by health care services (NGO Budget Line projects).

Coherence. The Commission has not paid sufficient attention to ensuring the different instruments are used together coherently. When choosing which instruments to use, it could also take more account of the situation in individual countries, in particular whether they had a well defined health sector policy. Given their importance to the effectiveness of each instrument, there is a need for the Commission to contribute more to the development of such policies and to ensure its interventions are integrated into them.

Integration. Integration of Commission interventions into SWAps is a key factor for their effectiveness, yet the Commission has not sufficiently supported SWAps nor has it prioritised assisting in their preparation.

Court Recommendations on the Coherent Use of Instruments

10. The Commission should establish and disseminate clear guidance on when each instrument should be utilised and how they can be used in combination to maximise synergy.
11. The choice of instruments to be used should take more specific account of the situation of the country and in particular whether it has a well-defined sector policy.
12. The Commission should more closely align its health sector interventions, including Global Fund interventions, with SWAps. In countries where SWAps do not yet exist, it should work towards establishing them.



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Endnotes

1. The main audit work included a review of documentation on EC health assistance policies, a review of the European Development Fund (EDF), general budget lines and GF health sector commitments and disbursements, as well as missions to Kenya, Lesotho, Malawi, Mali and Swaziland, desk reviews of health interventions in Burundi, Côte d'Ivoire and Ethiopia and a survey of all 41 EC delegations in sub-Saharan Africa.
2. The Commission's 'Programme for Action' of the 2000 'Accelerated Action on HIV/AIDS, malaria and tuberculosis in the context of poverty reduction' policy would "prioritise within the total development cooperation budget, health, AIDS and population interventions over the next five years (2002-2006)." ("Programme for Action", COM(2001) 96 final of 21.2.2001) As a follow up in 2004, the European Parliament introduced a specific allocation target in its budgetary remarks for all areas of development cooperation: "a minimum of 20 % of total annual commitments will be allocated to activities in the sectors of basic health and education." (General Budget of the European Union for the financial year 2004, OJ C 105, 30.4.2004, p. 1169)
3. The European Development Fund (EDF) is the main instrument for European Community aid for development cooperation in the Africa, Caribbean and Pacific (ACP) countries and the Overseas Countries and Territories (OCT). Each EDF is concluded for a period of around five years. The tenth EDF covers the period from 2008 to 2013 and provides an overall budget of EUR 22 682 million.
4. The European Commission defines budget support as the transfer of financial resources of an external financing agency to the national treasury of a partner country. These financial resources form part of the partner country's global resources, and are consequently used in accordance with its public financial management system.
5. DSW Budget Support Fast Fact: http://www.weltbevoelkerung.de/en/Fast_fact_Budget_Support_26_june_2008.pdf



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