

# **Addressing 'system effects' of scaled-up HIV/ AIDS funding**

**A contribution to the debate on funding at the Durban AIDS  
Conference**

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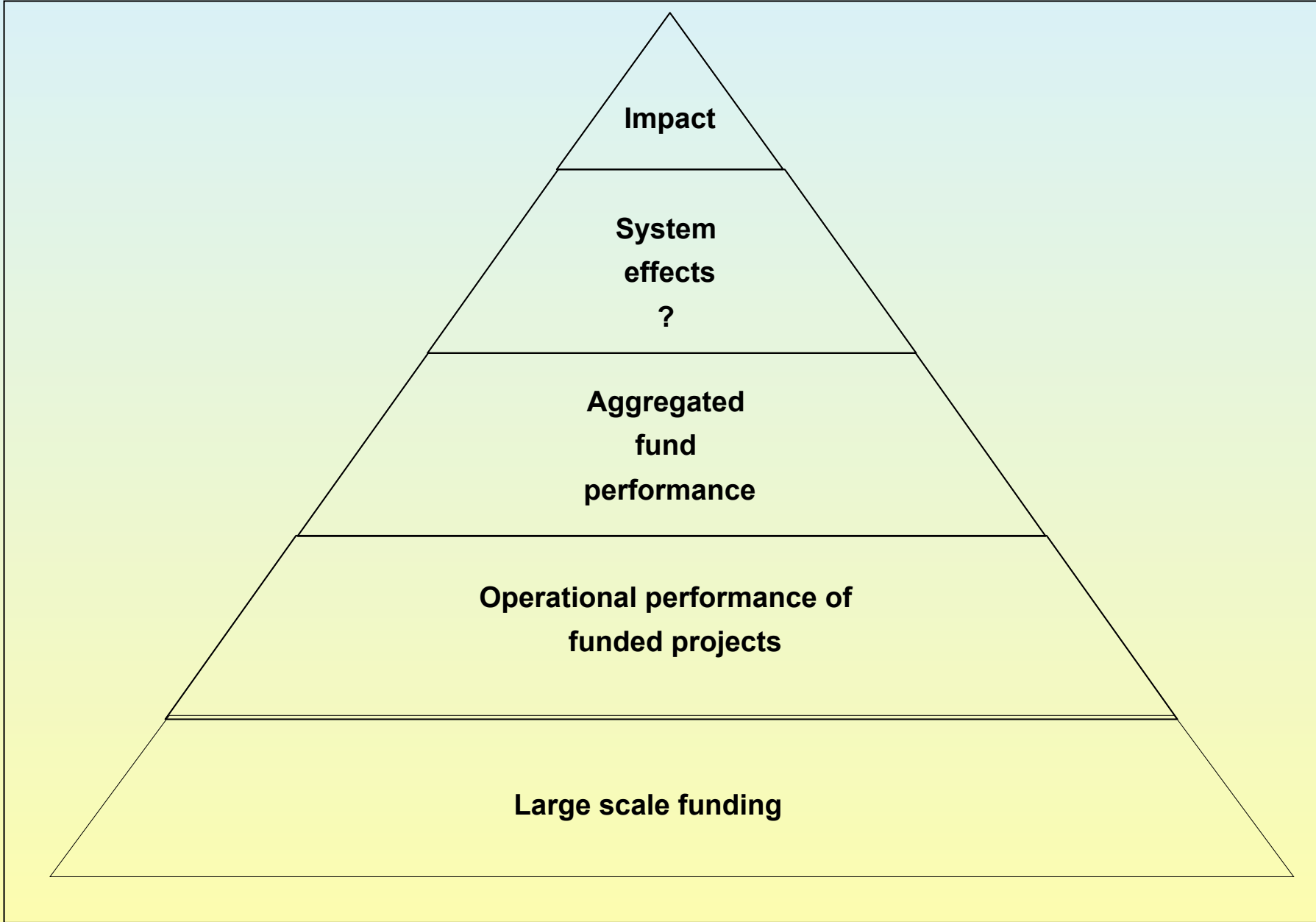
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# What are system effects?

- Large scale funding programmes may have unintended by-products
- Once created these conditions may operate independently of the programme and they might not be easily reversed
- Influence may be indirect and impact may become apparent in years to come rather than immediately apparent
- Effects?
  - positive? (e.g. absorbtive capacity)
  - negative? (e.g. erosion of volunteer sector)

Large scale funding impact pyramid



# **Issues to consider in conceptualising system effects**

- 1. Additionality**
- 2. Partnership**
- 3. Sustainability**
- 4. Monitoring and evaluation**

# Sources

- Global Fund M&E research on system effects of increased HIV/AIDS funding: Swaziland and South Africa
- Country level assessment of M&E capacity in Swaziland
- Research on community level responses to HIV/AIDS in three South African communities (track 3: 16h00)

# 1. Additionality

- The condition that external assistance fully augment (scale, scope, rate) local investment that would have occurred without that assistance.
- Expect no fall off of in-country investment in programmes; e.g. business investment in AIDS response
- Received wisdom:
  - there should not be displacement of other funds to alternative uses
  - one should not fund salaries and recurrent costs (proportion of funding for recurrent costs should decrease): one should augment activities rather than fund the basics
  - crowding in rather than crowding out

# Additionality: realities

- Money for recurrent expenses and salaries needed but often funders reluctant to provide for equipment, special project costs and training
- Over-emphasis on training, under-emphasis on systems development and maintenance
- Because 'exceptional costs funding' allows for it, use of external technical assistance to fulfil basic management and developmental roles (e.g. programme development and staff development)
- Emphasis on once off deliverables and events
- Organisations changing their functions and mandates because of AIDS funding: "What did we used to do? Oh, adult education?"

## 2. Partnership

- The condition of increased funding leading to increased co-operation and integration at programme level
- Increased sharing of specialised functions and skills
- Alignment of funded programmes with national priorities and policies
- Alignment of donors
- Development of horizontal co-ordination structures (e.g. intergovernmental structures)



# Partnership: realities

- Capacity of organisations to contribute to partnership is variable with poor participation of smaller organisations in partnership arrangements → failure or marginalisation
- Little funding for and taking responsibility for inter-organisational and inter-governmental relations and co-ordination
- Little funding support for local level co-ordination and integration because of project related funding emphasis
- Competition for funds and organisational rivalry

# 3. Sustainability

- Extent to which funding relies less on external sources over time
- Predictability of funding sources
- Increased cost-efficiency
- Development of technical and institutional systems

# **Sustainability: Realities**

- **When all funders want increasing counterpart funding, funding base becomes increasingly fragmented and funding increasingly consumes management time**
- **Unco-ordinated volunteer strategies and inconsistent volunteer support creates loss of volunteer good-will and motivation**
- **Professionalisation of volunteer sector**
- **Opportunity costs (e.g. conference attendance!) and actual costs of service delivery need to be taken into account**
- **Major stress on NGOs battling to cope with ever-increasing workload**
- **Increasing investment by NGOs in making dysfunctional or poorly integrated systems work**
- **Development of systems and models takes second place to short term delivery**
- **High reliance of programmes on external technical assistance for basic management activities**

# 4. Monitoring and evaluation

- **'The three ones' - One co-ordinating authority, action framework and M&E strategy – and scaling up of funding has led to increased concern to monitor impacts of funding**
- **The condition of results-based disbursement**
- **Number-based programme reporting**
- **Requirement of investment in M&E and development of capacity for such reporting**

# M&E: realities

- M&E subject to same capacity and delivery constraints that it is supposed to alleviate: no money, no time, no skills
- High reliance on in-and-out evaluators who often provide little of value to programme development
- M&E requirements create demands which consume inordinate amount of senior management time
- M&E requirements sometimes unrealistic and assume existence of monitoring frameworks and structures that often do not exist (e.g. conditional grant indicators)
- Often little value created for organisations except through enhancement of ability to attract funding
- Concern with results-based disbursement has led to reliance on numbers which are not sensitive to the true impacts of programmes, however reassuring they may be to funders
- Neglect of training, M&E systems development and information sharing at local level.
- The use of low tech simple participatory evaluation, self-evaluation and formative evaluation is surprisingly absent at programme level

# **Some solutions**

- **Need for policies and strategies for local level integration and resourcing of same**
- **Creation of local level fund-disbursement agencies and strategies**
- **Funding for total costs of services including percentage staff time per activity and recurrent costs**
- **Support for local technical assistance and OD support programmes**
- **Support for development of M&E capacity**
- **Use of M&E in programme development should be emphasised**