

# Impact of the Global Fund on Ethiopia's Health Care System

## The need to assess system-wide effects

With approved grants totaling over \$713 million to date, the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (GF) is the largest donor in Ethiopia. Given the country's size and the magnitude of its HIV-related health challenges, such financial support is welcome and needed. However, critical questions remain as to how Ethiopia's health system can absorb and effectively use such a sizeable amount of funds; for example, at the health worker level:

- Will the new services, and the way in which they are delivered, strengthen Ethiopia's health system?
- Will the focus on HIV/AIDS, TB, and malaria affect the delivery of services for other health priorities and diseases?
- To what extent are planned activities harmonized with existing national policies and programs (e.g. Poverty Reduction Strategy Paper, decentralization, civil service reform)?
- How well are GF monies integrated into the Health Sector Development Program (HSDP) so that continuity and sustainability can be ensured?
- How do GF monies affect capacity building, particularly human resource and organization systems?

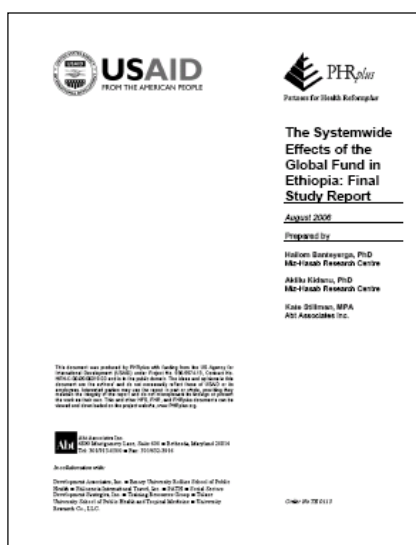
Answers to these questions can help stakeholders and implementers promote effective and timely use of the funds while strengthening Ethiopia's health system and leadership capabilities.

## Overview of assessment study

To inform the above policy questions, the System-wide Effects of the Fund (SWEF) research network<sup>1</sup> was commissioned to document GF effects in several countries. The studies focused on four key areas:

- policy processes,
- human resources,

- public/private mix, and
- procurement and distribution systems for pharmaceuticals and other commodities.



Within each area, the studies assessed how changes affected overall health system performance. This brief summarizes the findings and implications of the SWEF study in Ethiopia, which compares data from 2005-2006 with baseline findings from 2004-2005.<sup>2</sup>

## Methodological approach

The SWEF study examined the effects of processes involved in (1) Ethiopia's application for and receipt of GF grants and (2) implementation of GF-supported activities within Ethiopia's health system. This research entailed baseline and follow-up phases of primary and secondary data collection. In addition to document review, primary data was collected from:

- a quantitative facility survey (of 60 health centers and clinics at baseline and follow-up), with a health provider (335 health workers at baseline and follow-up) component; and
- a qualitative survey consisting of in-depth interviews with key informants (57 at baseline, 64 at follow-up) who were policymakers, program heads and implementers from government offices (national and regional), health facilities, non-governmental organizations

<sup>1</sup>See [www.phrplus.org/swef.php](http://www.phrplus.org/swef.php) for more description of the network. The SWEF network is linked to the nascent Global HIV/AIDS Initiatives (GHIN) network that is conducting research studies on various HIV/AIDS initiatives (such as the GF World Bank's Multi-country Assistance Program [MAP], and US President's Emergency Plan for AIDS Relief [PEPFAR]) in up to 15 countries. For more information, please visit [www.ghin.lshtm.ac.uk](http://www.ghin.lshtm.ac.uk)

<sup>2</sup> The SWEF study can be downloaded at <http://www.healthsystems2020.org/content/resource/detail/645/>. Baseline findings are also available, at [http://pdf.usaid.gov/pdf\\_docs/PNADF194.pdf](http://pdf.usaid.gov/pdf_docs/PNADF194.pdf).

(NGO,) donors, the Ethiopia Country Coordinating Mechanism (CCM), and key program experts.

## Effects on Policy Process - Key Findings

Compared with baseline findings, the follow-up study showed that the Ministry of Health (MoH), the HIV/AIDS Prevention and Control Office (HAPCO), the regions, and their partners have achieved a greater level of clarity with respect to GF objectives and requirements for its implementation.

Moreover, the CCM has made a conscious effort to become more transparent, committed, and inclusive - a marked change from the baseline period. Nevertheless, greater communication is needed between the MOH and HAPCO to ensure a coordinated and effective implementation process.

Another change since the baseline period is greater GF

alignment with national policies, programs, priorities, and processes. For example, GF planning and implementation is increasingly aligned with the health sector's ongoing processes of decentralization. Planning of the GF round 6 showed greater involvement of subnational entities and regional priorities. HAPCO block grant disbursements allow the regions to reprogram the funds if needed to better meet local priorities.

A comparative summary of baseline and follow-up findings is presented in the table below:

**THEN (baseline):**  
Planning is done in a closed office, without consulting us and other departments.-

*NGO stakeholder*

**NOW:**  
GF has introduced new ways of managing and responding to issues of coordination, management and follow-up, and reporting.-

*National informant*

## Impact on Human

Policy process dimensions	Baseline (2004-2005)	Follow-up (2005-2006)
Systems and structures	<ul style="list-style-type: none"> <li>● Government dominates the CCM</li> </ul>	<ul style="list-style-type: none"> <li>● Broad range of stakeholders participate</li> </ul>
Planning processes	<ul style="list-style-type: none"> <li>● Centralized process for proposal development and early program planning</li> <li>● Poor sharing of information with stakeholders and regions</li> </ul>	<ul style="list-style-type: none"> <li>● Better alignment with national policies of decentralization and power devolution through               <ul style="list-style-type: none"> <li>○ Increased involvement of subnational stakeholders and regional priorities</li> <li>○ Block grants to regions, which are allowed to determine their own implementation approaches</li> </ul> </li> <li>● Closer coordination and harmonization with other national policies and plans for the health sector               <ul style="list-style-type: none"> <li>○ E.g. current GF planning is an integral part of Ethiopia's five-year health plan</li> </ul> </li> <li>● Donors report that GF efforts are unfolding in a democratic, transparent, and accountable manner; but note that further improvements are warranted</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>● Poor integration with health system structures</li> <li>● Lack of communication between subnational and central-level entities</li> </ul>	<ul style="list-style-type: none"> <li>● GF better integrated into existing health system structures               <ul style="list-style-type: none"> <li>○ Fewer hurdles in management and use of GF monies</li> </ul> </li> <li>● Better delegation of implementation responsibilities to subnational entities, which are now able to use GF resources more flexibly to respond to priorities</li> <li>● Regional health bureaus and HAPCO do not communicate adequately about use of GF HIV funds, which can delay implementation</li> </ul>
Harmonization	<ul style="list-style-type: none"> <li>● Lack of harmonization of donor funds and local resources               <ul style="list-style-type: none"> <li>○ Separate resource channeling approaches led to complicated implementation processes</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Harmonization of donor funds is being realized               <ul style="list-style-type: none"> <li>○ E.g., by the Memorandum of Understanding between the GF and the PEPFAR to coordinate activities and resources for HIV/AIDS</li> </ul> </li> </ul>

## Resources - Key findings

The baseline study strongly suggested that the health sector was in need of a broad human resource development strategy

(HRDS). Major issues included staff turnover and attrition, which now appear to be increasing with the growing shift of personnel from the public to the private sector. The MoH is currently preparing a national HRDS focused on staff retention and deployment of health providers according to level of training. Approaches include training, incentives, and development of health extension workers for prevention-focused health services. A summary of baseline and follow-up findings is presented below:

### THEN (baseline):

The workload of GF created a problem on other activities...in departments like the procurement office, finance and liaison office, the staff is sharing a big burden.-

*MoH official*

### NOW:

The cycle is that when locally trained health providers develop skills they get employed in bilateral, multilateral, NGOs and the private sector.-

*National informant*

Baseline (2004-2005)	Follow-up (2005-2006)
<ul style="list-style-type: none"> <li>● High staff turnover and attrition</li> <li>● Health sector in need of broad HRDS</li> </ul>	<ul style="list-style-type: none"> <li>● Worsening working conditions for staff in the public sector                             <ul style="list-style-type: none"> <li>○ Prompts growing shift of personnel from public to private (including donor-supported) sector</li> </ul> </li> <li>● MoH currently developing new HRDS                             <ul style="list-style-type: none"> <li>○ Some regions have taken steps to retain staff. E.g. salary increases, training, promotions, and new policies for serving in remote areas</li> <li>○ Considering for rural areas an expanded number of extension health workers (30,000) - women recruited from the community and trained for 1 year</li> </ul> </li> </ul>

\*Findings above are reflective of sector-wide trends and not necessarily of GF implementation.

## Impact on Public/private Mix - Key Findings

### THEN (baseline):

The option of referring patients to other private facilities or CHAM hospitals to receive ARVs is a non-starter; government would not allow it. Government does not want to show that it is not capable of delivering HIV services with the current resources in the hospital.

*MoH official*

### NOW:

The private sector both for-profit and nonprofit, civil societies, and CBOs are active partners in the implementation of HIV/AIDS at the center and in the regions.

*National informant*

An underlying principle of the GF is that it will "focus on the creation, development and expansion of government/private/NGO partnerships." While a weak component at the onset of GF implementation in

Ethiopia, this is now changing considerably along with government perceptions of the private sector. For example, the HSDP clearly recognizes that the private sector is a partner in the implementation of health sector activities. NGOs and civil societies are actively participating in implementation of GF activities. Some for-profit clinics are delivering clinical HIV/AIDS services, including voluntary counseling and testing and CD4 count and other blood tests. However, the activities are limited. The government is exploring ways to involve the for-profit sector by providing free training, supervision, and advice on laboratory services and supplying test kits. This is summarized in the table below:

Baseline (2004-2005)	Follow-up (2005-2006)
<ul style="list-style-type: none"> <li>● Weak participation of for-profit sector in GF implementation</li> <li>● Mistrust between public and private sector</li> <li>● GF-supported activities appear to be government dominated                             <ul style="list-style-type: none"> <li>○ Private sector respondents feel they have little voice in GF-related decision making</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Government realized the value of private sector for scaling up health services, particularly those targeting HIV/AIDS</li> <li>● Mistrust is lessening</li> <li>● Government is considering how to strengthen private health sector by providing free training, supervision, and advice on laboratory services and supplying test kits</li> <li>● Studies underway to see how private sector can help fight TB and malaria</li> </ul>

## Pharmaceuticals and Commodities - Key Findings

Baseline findings showed that Ethiopia's Pharmaceuticals Administration Supply Services (PASS) could not handle GF procurement needs. To accelerate the purchase process, it outsourced the task to UNICEF and the arrangement has worked well. Drug and commodity distribution has occurred on a timely basis and the regions have not registered any complaints associated with drugs and commodities. Moreover, PASS has maintained

Baseline (2004-2005)	Follow-up (2005-2006)
<ul style="list-style-type: none"> <li>● The health sector's logistics and supply system is weak.                             <ul style="list-style-type: none"> <li>○ Not able to manage the procurement of GF drugs and commodities within proposed GF timelines</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● PASS outsources procurement of drugs and essential supplies to UNICEF                             <ul style="list-style-type: none"> <li>○ While efficient, it is intended to be a temporary solution</li> </ul> </li> <li>● Government contemplating the development of its own logistics and supply system                             <ul style="list-style-type: none"> <li>○ Technical committee formed to guide this process</li> <li>○ Tendency now is to separate management of regulation of procurement from the purchase of drugs and supplies</li> </ul> </li> </ul>

constant communication with the regions, keeping them informed of the status of requested drug and commodity procurements. Reliance on UNICEF is recognized as a temporary solution and so the MoH has undertaken a study of its logistics and supply system to improve its capacity to do procurement.

## Conclusions

1. Baseline findings indicated a need to:
  - a. Strengthen communication among stakeholders
  - b. Empower the regions as indicated in Ethiopia's decentralization and power devolution policy
  - c. Address human resource issues as indicated in the civil reform package and develop an overall HRDS
  - d. Create better understanding and trust between the public and private sectors
  - e. Develop the logistics and supply system to be able to respond to the procurement needs of the health sector
  - f. Build on the positive initiatives launched by Ethiopia's leadership.
2. Follow-up findings show that, while each of the above issues has or is being addressed, current needs are as follows:
  - a. Efforts to reduce rapid staff turnover must continue. The current strategy of deploying health extension workers is not a substitute for qualified human resources.
  - b. The private sector needs to become a central force in the implementation of health services.
  - c. The MoH's information management systems, monitoring & evaluation, and reporting should be developed and reinforced. Of critical importance is a focus on developing a cadre of personnel qualified to carry out these duties.
3. The SWEF studies show that the GF is playing a significant role in Ethiopia's health system and has stimulated several positive developments. GF-related processes are addressing policy and program constraints, human resource issues, management systems within the health sector, and logistics and supply systems while fostering a positive relationship between the public and private sectors. The receipt of GF funds is also leading to improved donor harmonization.
4. However, as the wide-ranging service delivery activities are launched at an increasingly rapid pace, more remains to be understood about the impact of the GF on Ethiopia's health system. For example, what does the increased workload of health workers offering HIV/AIDS services mean for the delivery of other services like maternal-child health and immunization? Do GF-financed lab/facility infrastructure improvements have positive spin-off effects on capital/equipment needed for the delivery of nonfocal disease services? To answer such questions continued SWEF research is needed, perhaps broadening the scope to include other disease-oriented forms of assistance such as the World Bank's MAP, PEPFAR, and the US President's Malaria Initiative.
5. The MoH is pushing the process of harmonization started under the HSDP. Donors also need to advocate for harmonization if Ethiopia is to accelerate its health service programs and meet its Millennium Development Goal in health.
6. The logistics and supply system needs to be rigorously studied and strengthened. Current initiatives are encouraging, but a viable and sustainable system is critical for success.

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## Health Systems 20/20

Health Systems 20/20 (HS 20/20), a five-year (2006-2011) cooperative agreement funded by the U.S. Agency for International Development (USAID), offers USAID-supported countries help in solving problems in health governance, finance, operations, and capacity building. By working on these dimensions of strengthening health systems, the project will help people in developing countries gain access to and use priority population, health, and nutrition (PHN) services. HS 20/20 integrates health financing with governance and operations initiatives. This integrated approach focuses on building capacity for long-term sustainability of system strengthening efforts. The project acts through global leadership, technical assistance, brokering and grant making, research, professional networking, and information dissemination.

### Why Health Systems?

The delivery of all health services, including the priority PHN services, depends on the underlying health system. To combat malaria, TB, HIV, and maternal and child health problems, the health system needs adequate and appropriately allocated financing, inclusive decision making and accountability, and financial and human resource management systems that deliver inputs where and when needed. A smoothly functioning health system maximizes the delivery of effective and life-saving technical interventions.

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## How to Access Health Systems 20/20

USAID missions and bureaus can access HS 20/20 by obligating funds to cooperative agreement No. GHS-A-00-06-00010-00. The project can accept all types of USAID funding, including PEPFAR, POP, CS, EFS, as well as funds through EGAT and D&G. As a Leader with Associate mechanism, missions and bureaus can also negotiate and manage separate Associate Awards for which they will designate a CTO.

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