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# Moving beyond donor disbursements as a measure of investment in health; the need to track expenditures

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- Aga Khan Foundation
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- Tulane University's School of Public Health
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# Outline

- Definitions
  - Commitments
  - Disbursements
  - Expenditures



- Current Focus Global Resource Tracking
- Select observations from National Health Accounts
- Implications

# Definitions

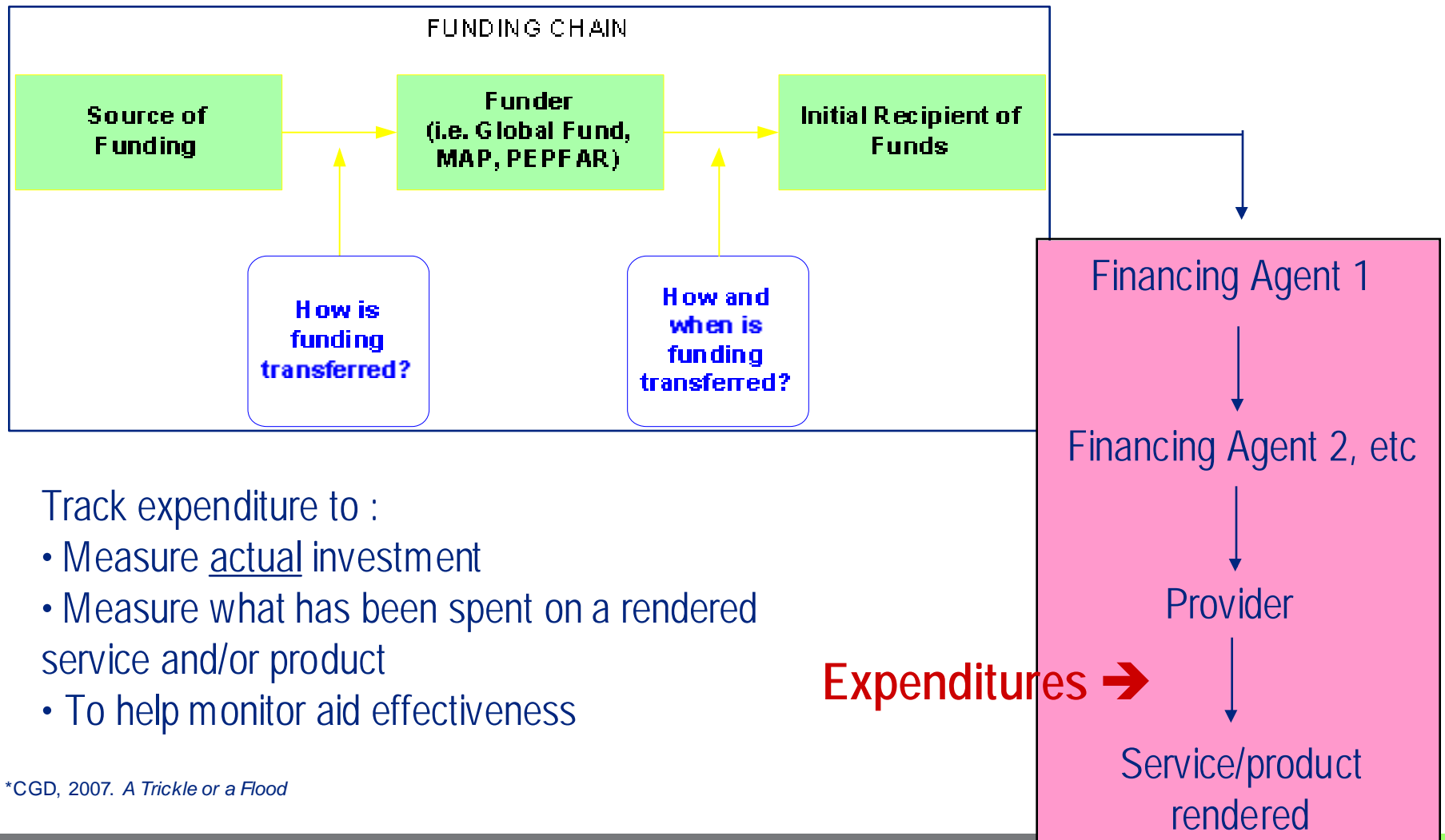
- **Commitment-** the point at which funding that is readily available to the funder is legally promised to recipients.
- **Disbursement-** the point at which funds are transferred from the funding mechanism to a recipient.
- **Expenditure-** measurement in monetary terms of the value of consumption of the goods and services of interest.
  - What was SPENT on a particular service or product?
  - Implies that a service or product has been rendered

# Focus of global initiatives

## ↳ Largely track disbursements

- E.g. OECD's Development Assistance Committee database: Tracks statistics and reports on aid and other resource flows, based principally on reporting by DAC Members.
- E.g. Center for Global Development's HIV/AIDS Monitor Program: Seeks to track and analyze key features of the way aid for HIV/AIDS is allocated and disbursed,
- E.g. Global Fund's database: Grant commitments and disbursements
- E.g. GAVI

# Need to go beyond disbursements



\*CGD, 2007. *A Trickle or a Flood*

# Why expenditure data?

- “What are we getting for the money?”
- How funds are invested
- Whether or not funds are reaching intended targets

# Methodology to measure expenditure

- National resource tracking frameworks, such as **National Health Accounts**
  - Internationally accepted and tested framework
    - WHO, WB, USAID, Gates Foundation, Sida etc.,
  - Conducted in 100+ countries
  - Tracks ANNUAL spending on health care (amount and flows) including public, private and donor contributions
  - Intended on a regular basis

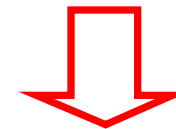
# National health accounts track every dollar spent on health from source to ultimate uses

1)	Financing Sources					
<b>Financing Agents</b>	FS.1.1.1 Central Gov. (Ministry of Finance)	FS.3. Rest of the World (Donors)	FS.2.1 Employer Funds	FS.2.2 Household Funds		<b>TOTALS</b>
HF.1.1.1.1 Ministry of Health	A	B				A+B
HF.1.1.1.2 Ministry of Education	C					C
HF.2.2 Private Insurance Enterprises			D	E		D+E
HF. 2.3 Private households' out-of-pocket payment				F*		F*
<b>TOTALS</b>						<b>G</b>

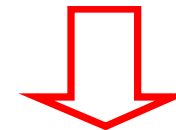
  

2)	Financing Agents					
<b>Providers</b>	HF.1.1.1.1 Ministry of Health	HF.1.1.1.2 Ministry of Education	HF.2.2 Private Insurance Enterprises	HF.2.3 Households		<b>TOTALS</b>
HP.1.1.1 Public General Hospitals	W		X			
HP.1.1.2 Private General Hospitals		C		F		
HP.3.4.5.1 Public Outpatient Clinics			Y			
	W=A+B	C	X+Y=	D+E	F	G

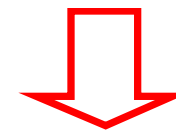
Financing Source



Financing Agent



Provider

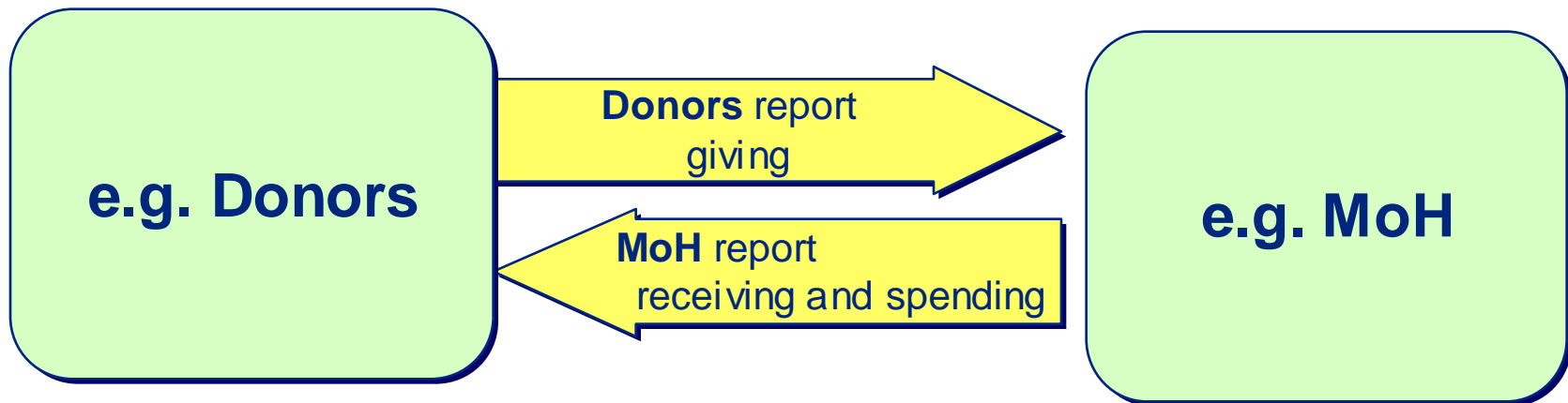


Function

Only those \$\$ that result in a service and/or product rendered are reported in the matrices.

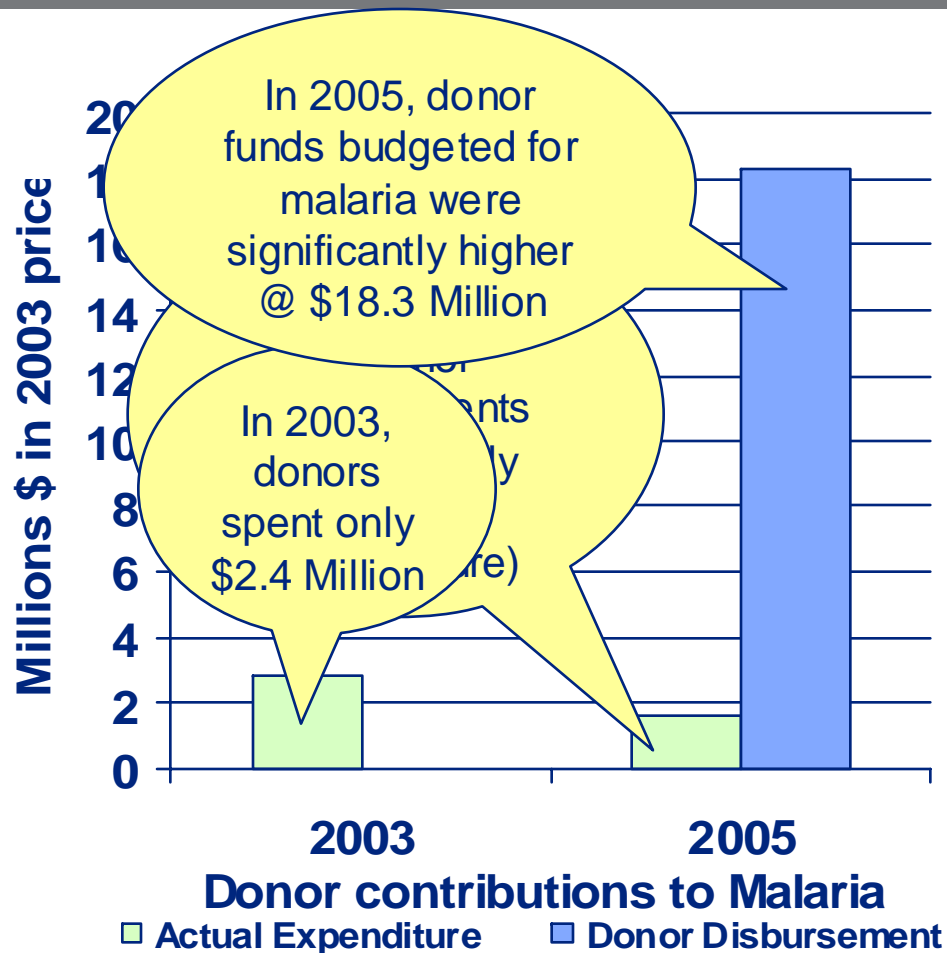


# NHA principle of triangulation can provide insights into disbursements vs expenditures



- For one transaction, NHA collects information from the originator and recipient

# In Rwanda, Malaria expenditure comparisons to disbursements exposed bottlenecks



- Why are only 3% of donor disbursements actually executed?
- This finding prompted a gov. investigation
  - Learned that low execution due to supply constraints for long lasting ITNs

Source: Rwanda NHA report 2003; Donor mapping report 2005

# Malawi: National AID Commission grant DISBURSEMENT vs EXPENDITURE by recipient

	Disbursed funds Grant Amount (MWK)	Spent funds Grant Amount (MWK)	% of disbursed funds not spent
NGOs	1,124,802,020	857,575,306	23.8
Faith-Based Org.	303,461,481	208,193,511	31.4
Private sector	136,011,550	123,632,932	9.1
Public sector	1,570,749,510	1,364,799,474	13.1
Education/training institut.	395,429,870	192,671,873	51.3
Umbrella Organisations	1,672,754,346	1,584,146,338	5.3
Other	30,400,660	5,604,681	81.6
<b>Total</b>	<b>5,233,609,437</b>	<b>4,336,624,114</b>	<b>17.1</b>

Source: UNAIDS South Africa. 2007

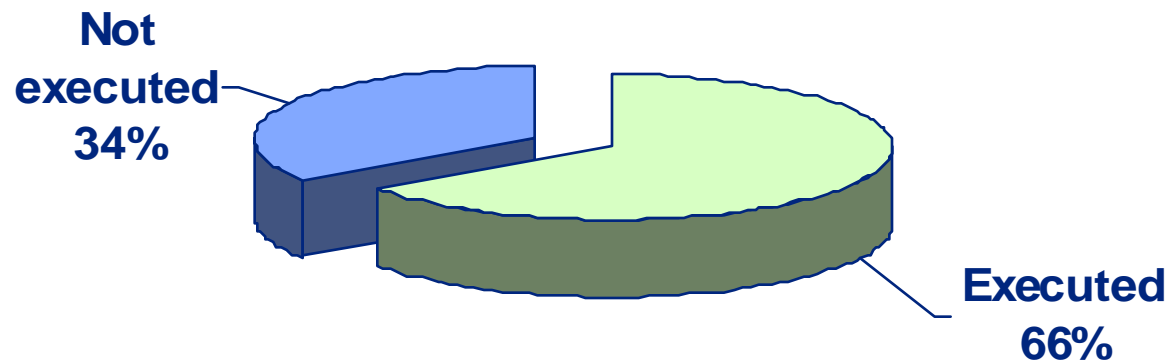
# Malawi: National AIDS Commission grant DISBURSEMENT vs EXPENDITURE by intervention area

	Disbursed Funds Grant Amount (MWK)	Spent Funds Grant Amount (MWK)	% of disbursed funds not spent
Advocacy and prevention	1,076,625,193	830,019,961	22.9
Sectoral HIV/AIDS mainstreaming	558,575,131	458,505,181	17.9
Treatment, care and support	1,782,859,099	1,538,282,969	13.7
Impact mitigation	662,651,271	554,172,532	16.4
Capacity building and partnerships	899,783,472	752,213,416	16.5
Monitoring, evaluation and research	253,115,271	203,430,056	19.6
<b>Total</b>	<b>5,233,609,437</b>	<b>4,336,624,114</b>	<b>17.1</b>

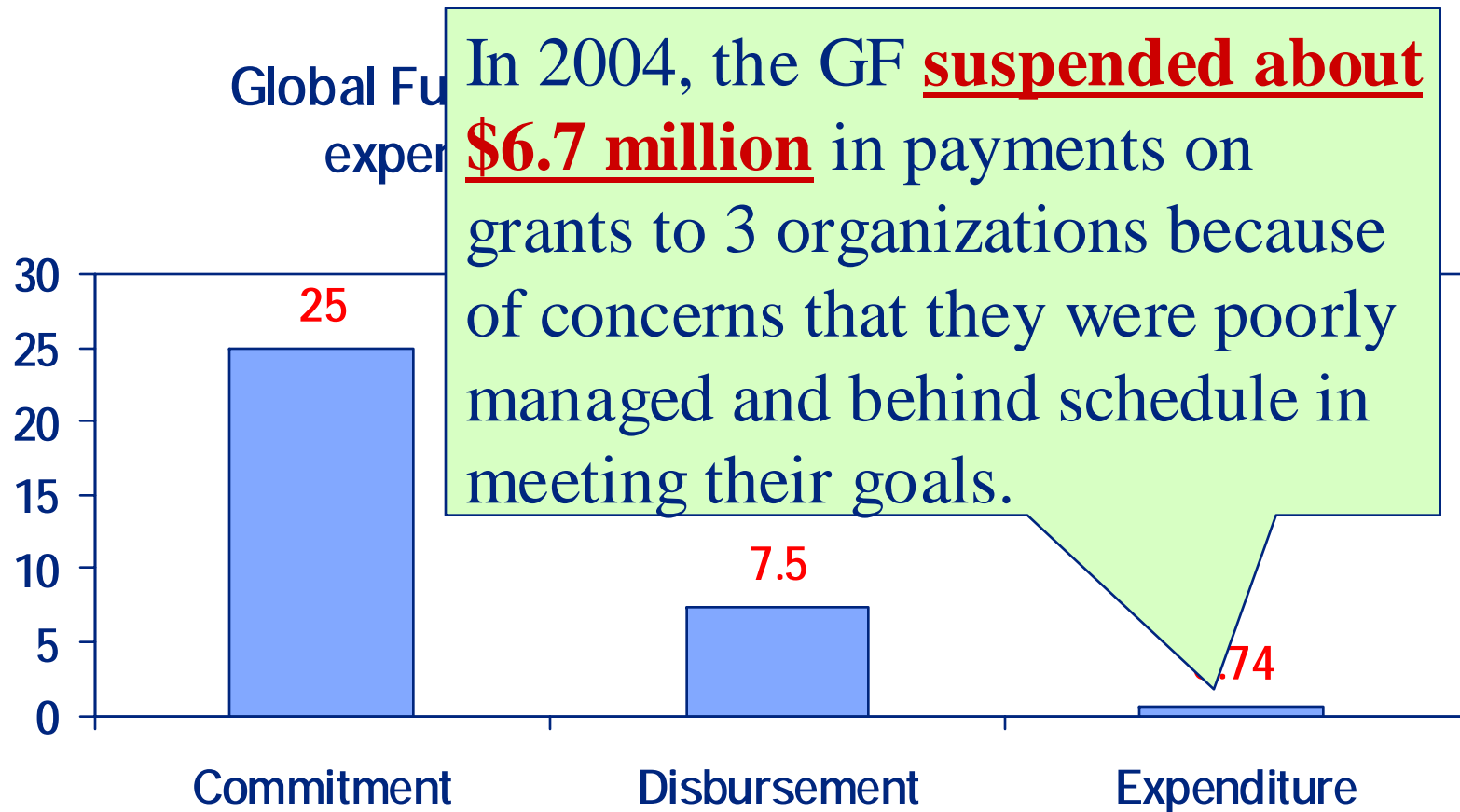
Source: UNAIDS South Africa. 2007

# Vietnam 2004 NHA HIV/AIDS subaccounts

**% of donor HIV funds disbursed vs  
executed in Vietnam**



# Ukraine



Source: Global Fund. 2007. [www.theglobalfund.org/en/](http://www.theglobalfund.org/en/)

# Why do disbursements not necessarily correlate with expenditures?

- Disbursements may be intended to be consumed over more than one year
- Absorption may be delayed, poor or restricted due to:
  - Lack of management capacity, financial management protocols, procurement tendering processes
  - Staffing shortage to manage and spend funds
  - Operations not in place to spend the money
  - Paucity of commodities for purchasing
  - Paucity of service delivery
  - Lack of a need to show achievement of performance targets

# Conclusion

- Before assuming that a given grant has been “invested in health”, it is critical to examine its end use and to monitor the time lag between disbursement and expenditures
  - This can reveal administrative and/or implementation bottlenecks
- Global databases should incorporate expenditure data from NHA estimations







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Thank you



<http://www.healthsystems2020.org/>



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