

## Annex XIII

# Harmonization and Alignment on Budget

**MDG PF  
GRANT MANAGEMENT UNIT  
FEDERAL MINISTRY OF HEALTH, ETHIOPIA ,  
AUGUST, 2016**



# Out line



- Introduction
- Harmonization and alignment
- MDG PF/SDG PF
- JFA
- Overview of Pfor R

# Introduction



- The SDG Performance Fund is pooled funding mechanism managed by the FMOH using the Government of Ethiopia procedures.
- *It is one of the GoE's preferred modalities for scaling up Development Partners assistance in support of HSTP/HSDP.*

# Harmonization and Alignment in Ethiopia



- Development and signing of the Code of Conduct in 2005
- HHM manual in 2007
- International Health Partnership
- JFA and establishment of MDG PF 2009

# Major focus of the Harmonization and Alignment efforts



- One joint Plan: HSDP and annual woreda plan
- One Budget: MDG PF
- One Report: HMIS, JRM, ARM, joint surveys

# MDG Performance Fund



- MDGPF pools non-earmarked partner funds.
- Specific scope of activities to be financed are determined through a consultative process involving all key stakeholders every year.
- The Joint Financing Arrangement (JFA) sets out the overarching governance and reporting requirements for the Fund.
- As of 2015, 11 partners are contributing to MDGPF

# Background



- Was established in 2007 with GAVI HSS contribution.
- Reformed after the JFA was signed by MoFED, MOH and seven DPs in 2009.
- IC and EKN joined 2011/2012.
- The WB and GAVI joined in 2013.
- EU also joined In.....2015

# JFA



- **Scope of MDG fund and JFA:**

- Eligible Expenditures: any priority of the government are eligible except salary costs (at either Federal or sub-national levels)

- **Responsibilities of the FMoH:**

- Carries overall responsibility and accountability for the performance of the health sector as a whole, including the MDG Fund, ensuring that all activities undertaken within the sector contribute to HSDP goals and priorities.





- **Responsibilities of DPs:**

- Providing resources to the MDG Fund in line with principles of aid effectiveness, the commitments of the IHP Compact and the procedures set out in the JFA.

- **Institutional arrangement and decision making:**

- The dialogue, governance and decision-making of the MDG Fund is provided by the existing health sector coordination framework which consists of a two tier collaborative governance system made up of the JCF and the JCCC.

# JFA



- **Planning:**

- The HSDP targets, priorities and costing form the basis of the annual planning process.
- The Woreda based planning process is the only sector planning process modality for the annual operational plan in the health sector

- **Flow of funds:**

- The FMOH maintains the foreign currency account in the National Bank of Ethiopia for the MDG Fund
- Signatories disburse according to a mutually agreed disbursement schedule and in line with the Ethiopian Fiscal Year

# JFA



- **Procurement:**

- The FMoH would be the budget holder for the MDG Fund and will delegate the procurement of goods to PFSA
- The PFSA will utilise its own procurement manuals in accordance to its proclamation (553/2007)

- **Reporting:**

- Quarterly activity based reports are sent to all signatories
- Annual performance will be included as part of the annual report for the sector

# JFA



- **Reviews and evaluation:**
  - This will be common to all DPs and will be aligned with FMOH processes
  - FMOH and DPs will maintain a close dialogue around reviews and evaluation through the JCCC and JCF
- **Audit:**
  - Internal Audit: quarterly
  - External Audit: once in a year, to be done by ASC, ToR to be agreed jointly, report is due nine months after the end of the FY

# Total income to MDG PF in USD and EUR

DP	2001 E.C	2002 E.C	2003 E.C	2004 E.C	2005 E.C	2006 E.C	2007 E.C	2008 E.C	Total
DFID	4,407,267	17,341,660	43,314,566	81,577,544	106,964,000	142,558,200	101,647,000	45,344,460	538,747,430
Spain	6,210,963	13,562,960	6,416,510	6,846,500		658,648	1,112,199		34,807,780
Irish Aid		1,924,660	2,217,960	3,484,284	2,047,516	3,181,362	13,620,726	6,911,116	33,387,624
UNFPA		1,000,000	1,000,000	995,189		2,000,000			4,995,189
WHO		664,303	300,969	698,773		148,337			1,812,382
UNICEF				500,000	1,000,000	900,000	500,000	455,000	3,355,000

# Cont....



DP	2001 E.C	2002 E.C	2003 E.C	2004 E.C	2005 E.C	2006 E.C	2007 E.C	2008 E.C	Total
IC				3,793,853			3,544,799	2,724,005	10,062,657
Australia				7,445,900	8,400,000				15,845,900
EKN					5,700,000	7,142,827	14,862,788	15,874,899	43,580,514
WB						35,393,073	34,521,883	3,667,317	73,582,273
GAVI					3,127,741	35,480,034		20,742,868	59,350,643
EU								7,650,273	7,650,273
<b>Total</b>	<b><u>10,618,232</u></b>	<b><u>34,493,584</u></b>	<b><u>53,250,005</u></b>	<b><u>105,342,043</u></b>	<b><u>127,239,257</u></b>	<b><u>227,462,481</u></b>	<b><u>169,809,395</u></b>	<b><u>103,369,938</u></b>	<b><u>831,584,932</u></b>

# Overview of PforR



- Provides US\$120 million (US\$100 million credit and US\$20 million grant) during a five year period
- Supports Ethiopia Health Sector Transformation plan IV (HSTP )
- Disburses against achievement of results measured through 8 indicators
- Focuses on strengthening institutional capacity

# Disbursement Linked Indicators (DLIs)



- Indicators are selected based on:
  - Evidence of their contribution to MDGs
  - Under the span of control of the government
  - Achievable in the time-frame being considered
  - Objectively measurable and verifiable
- The targets for the DLIs have been established based on global experience and the track record of Ethiopia



# DLIs and Disbursement



- Each DLI has a monetary value. Partial disbursement will be made for partial achievement
- Fund from the World Bank will be disbursed to MDG Performance Fund once results achievement are verified
- Disbursement from the PforR operation will support activities under the MDGPF with the exception of high-value procurement
- The planning, implementation, reporting, audit and governance all follow the JFA



Thank you!

