Aidspan

Independent observer of the Global Fund

ISSUES AND CHALLENGES OF PROGRAM MANAGEMENT UNITS IN WEST AND CENTRAL AFRICAN COUNTRIES

Over the past ten years, more Program Management Units (PMUs) have been established within Ministries of Health to attract funding from international donors. They receive funds, select implementing partners, establish monitoring and reporting frameworks aligned to donor requirements, and ensure transparency on external funding. PMUs are responsible for managing projects financed by large vertical funds such as the Global Fund and GAVI, The Vaccine Alliance, or by entities such as the Bill and Melinda Gates Foundation, the World Bank or bilateral institutions such as the French Development Agency (AFD).

These PMUs, which were recently created to coordinate projects funded by external partners, have encountered a number of challenges, but have also achieved notable success. This article reviews the reasons for the success of PMUs (often supported by donors like the Global Fund), analyzes the benefits and challenges faced by the ministries that implemented them, and considers the pre-requisites for their establishment.

Increase in PMUs in West and central Africa

While 11% of the world's population is in sub-Saharan Africa, it bears 24% of the global disease burden and accounts for less than 1% of global health spending. Investments made by international donors vary from country to country, ranging from 5% in Ghana to almost 30% in Benin, Guinea or Mali (see the table below), and remain crucial in the countries of the sub-region.

Table 1: Global investments in West and central Africa

Countries	Households (%)	Governments (%)	NGOs, Employers (%)	Donors (%)
Burkina Faso	35	30	7	26
Benin	42	24	5	29
Ghana	45	40	6	5
Guinee	62	9	2	27
Mali	54	12	6	28
Niger	56	30	1	12
Nigeria		21	–	7
Senegal	41	37	5	17
Togo	60	23	0	17

Source: Health Finance and Governance (HFG)/USAID

Donor contributions to health systems in West and central Africa have not declined since 2013.

To manage the growing funding, donors require well-established recipients with proven management methods and sound programmatic and financial reporting capacities. Within a few years, project management units within ministries have multiplied to meet these requirements.

Management units

Management units are a favorable option for donors: they make it possible to focus on a specific area, and coordinate all the programmatic, financial, legal and sometimes logistical functions required to implement projects. Management units usually have enough well-trained, well-paid and experienced staff members, who are familiar with international donor requirements and processes. When a country creates a PMU for each donor, it guarantees clearer expenditure tracking and greater accountability for the use of funds. Each project has its own bank account, and programmatic and financial reports.

The PMU system facilitates a global view of partner funding and increased cost-effectiveness by eliminating duplication of staff and activities. It provides a consolidated view of all funding, with easier links to implementation programs and reduces delays in project start-up. Staff members have better knowledge of technical and financial partner procedures, there is greater ability to retain staff, and the common understanding of management rules facilitates implementation and reporting. Donor grants generally cover the operation of PMUs, which equip ministries with well-trained staff members, that attract other donors.

PMU virtuous circle

In so-called “fragile states” or difficult intervention contexts (as defined by the Global Fund), transparent and efficient management of funding is a significant issue. A recent article published in Le Monde on the G5 Sahel Summit, in Pau, highlighted that a significant portion of funding granted as aid to the Sahel countries is untraceable and does not tally with development programs. The reasons given are that the ministries responsible for monitoring financial expenditure lack resources, are understaffed, and the staff members that they do have are poorly trained and find it difficult to monitor the projects being implemented. François Grunewald of Groupe URD explained that donors’ procedures have become complex and cumbersome. There are more and more lengthy standard operating procedures for each activity, even more stringent requirements for accountability, and additional key performance indicators. Grunewald cited the European Union as an example and stated that procedures for disbursement for some donors can sometimes take up to six to eight months, while reprogramming can take almost a year. This explains why at the end of a project, on average, about half of the fund is disbursed. The situation for

the Global Fund, with its lengthy and sometimes cumbersome procedures, is the same.

In this context, a single management unit that is properly staffed and well equipped, and can apply procedures, plan and monitor the implementation of activities, and report effectively is ideal. This has become the case in a number of countries where PMUs receive several, and sometimes all, foreign donor funds and follow single and consolidated procedures. PMUs have enabled many countries, who wanted to manage their grants directly, to convince the Global Fund to invest in their institutions. Units have been established in Togo, Chad, Mali, and Mauritania. Some countries like Benin, Senegal, and Guinea benefit from funding from several donors for health system strengthening.

To date, there is no specific organizational structure for management units. The Global Fund assesses each unit individually. The Risk Management Department usually assesses capacity using the Capacity Assessment Tool (CAT). It assesses the structure's programmatic, financial, procurement, procedural, organizational and human resource capacities. Its findings guide decisions on capacity building and monitoring, specifically to ensure that expenditure is in accordance with procedures and to limit ineligible expenditure.

Lessons learned and challenges associated with PMUs

Management units are not the answer to all grant management and governance problems. In some cases, they are the source of many difficulties and tension within ministries. The creation of these coordination bodies, referred to as "ministry within the ministry" by critics, raises real questions about governance, intra- and inter-ministerial coordination, and sustainability for the countries that establish them. For this reason, and even if there is no standardized "manual" for implementing a management unit, it is important to think about certain key elements, which are necessary (but not sufficient) conditions for a unit to be functional:

- Governance: PMUs must be linked to the ministry at the highest possible level to enable them to function properly and fulfill their supervisory role. This link to the ministry, and sometimes to the Office of the Prime Minister, ensures that issues are addressed and resolved at the appropriate level. However, it separates PMU members from the departments and directorates responsible for establishing and implementing strategies and policies. They are not responsible for decision-making on programmatic implementation, whereas they are partly responsible for programmatic results. If a parallel is to be drawn, they act a bit like the Global Fund Secretariat, as they finance but do not implement.
- Functioning: PMUs are generally favored, considering the often-precarious conditions in which civil servants and the directorates of health ministries work. The status of staff members is most often contractual; salaries are higher than those on the ministries' salary scale; and there is modern equipment and adequate infrastructure. However, the working conditions and salaries of the directorates and those responsible for program implementation are not improved. This creates tension and resentment. In order to alleviate the resulting tension, PMUs must strengthen and develop national directorates and programs, and address these inequalities.
- Performance: Some PMUs apply a performance framework for their staff, which ensures results and implements operating procedures that differ from the practices of most ministries. The latter do not generally use performance-based pay, and where it does exist, it is applied at the decentralized level for community health workers or health district staff instead. This creates a favorable bias in terms of the rest of the ministry staff. In addition, the PMU is judged on the performance of the grant, reflected in a rating from A to C, however it is not directly responsible for the implementation of activities in the field, but for their coordination.
- Strategic monitoring by the Country Coordinating Mechanism (CCM): The PMU must report to the CCM, who plays an essential role in strategic monitoring. A CCM that is weak or not very active in its role as a "challenger" to the PMU will not be an effective counterweight to question the Principal Recipient (PR) about its performance and its role in coordinating the actions implemented under the

grant. At a time when the strategy for the "CCM evolution" is becoming more widespread, particularly in "fragile" countries, this must be taken into account. Expectations of the CCMs in Chad, Niger, Mali or Guinea, (with newly formed PMUs) are high in terms of strategic monitoring, an essential but sometimes weak function. In these contexts, it will be important to strengthen a new PR that has taken on the role of PMU, and is still looking for its bearings, and a CCM whose strategic monitoring capacities are sometimes still fragile. One cannot be strengthened without the other.

- Reporting and audit: Many donors require financial and programmatic reporting based on their own procedures and tools and insist on an audit of their resources. While they are committed to using a single management unit, they continue to demand that dedicated accounts, reports and audits are carried out. These separate requirements add a considerable workload that hinders effective implementation monitoring. A project unit with a single consolidated activity report and audit would be an important innovation. It would enable central management of all external funding and create a streamlined, more efficient process.

Avenues for improvement

Ideally, management units should strengthen the ministries of health in monitoring grant implementation and build the implementation capacity of the institutions where they are based. Governments should finance the management units and incorporate them into state structures, so that they are no longer considered extensions of donors within ministries. In this way they would be able to retain trained and experienced staff members as they transition from one project to another. This will be determined by the level of commitment of the ministries to the development of a PMU. It is more likely that the PMU will be effective and be able to coordinate its activities with the health ministry if it is supported by the authorities.

Conclusion

The challenges above are not exhaustive and the required responses to these have not been explored. A deeper analysis of the situation would provide valuable information on the challenges and potential circumvention strategies. Local civil society organizations are increasingly eager to take responsibility for the management of Global Fund financing, particularly for community-based activities or those aimed at key populations. Experiences are being shared between them, and studies are underway to capitalize on their performance in fragile contexts. A similar approach would be beneficial for PMUs and ministries in fragile contexts. It would make it possible to anticipate difficulties repeatedly encountered, and define the technical assistance required to support the deployment of PMUs.

Read More