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DONORS AND THE GOVERNMENT OF DRC HAVE STRUGGLED TO RESOLVE THE ISSUE OF SALARY INCENTIVES

The Global Fund has been aware for at least the past six years that salary incentives paid to workers in the Democratic Republic of Congo (DRC) were problematic, but has struggled to find a way to move forward without them.

In GFO #295, we published an [article](#) on the issue of salary incentives and we used the DRC as an example. In this article, we provide more details on the efforts made in the DRC to resolve the issue.

The Global Fund has been paying salary incentives, or top-ups, to people helping to implement its projects since at least 2003, to compensate them for extra work they were doing on top of their regular duties. The intention of these payments was to acknowledge and reward the extra work, and to encourage the retention of quality staff, but it soon became evident that the practice created the kind of dependency the Fund was trying to move away from.

Efforts made in the DRC to wind back these payments show how hard it has been for the Global Fund to keep programs running in low income countries without workers receiving these added incentives.

One of the significant issues with incentives in the DRC is that a number of donors were providing them. The donors included the (U.K.) Department for International Development, GIZ, and Gavi. The practice of paying incentives led to a situation where some people were receiving multiple top-ups and were earning significantly more than their colleagues.

Global Fund documents from the DRC show that as far back as 2010, the Fund has been working with other development partners and the Ministry of Health to achieve a consistent approach to salary top-ups.

In a [Consolidated Programme Grant Agreement](#) for a tuberculosis project to be completed in 2012, for example, one of the conditions was for a “Harmonized Salary Top-up Plan for Global Fund Grants” to be developed before grant funds were disbursed for the payment of incentives.

Implementing this plan proved difficult. Further documents show that the Fund struggled to get the information needed. In the [scorecard](#) for a malaria grant it was noted that “It has taken a long time to get a full overview of what has been paid to whom and when.”

In some cases, work on programs was disrupted by efforts to better control incentives. One [scorecard](#) from 2012 shows that salary top-ups were not paid because the plan for harmonizing them was submitted late, and that this non-payment led to delays in implementing a number of key project activities. The document also noted that ensuring data quality became a problem because data validation did not take place after salary top-ups were withheld.

By 2013, salary incentives were still an issue. In an [implementation letter](#) extending a 2011 funding agreement for a health systems strengthening grant, the Global Fund Secretariat reiterated the original conditions to be met before incentives could be paid, including the delivery of a detailed map of the sources of funding for the payments to health sector workers, and a plan to continue financing them.

Aidspan understands that the agreement for this grant took more than 18 months to be signed due to the complexity of the negotiations involved in designing a new national policy for performance-based financing. Unfortunately, despite this long and costly process, the grant failed and was closed.

According to Nicholas Farcy, the Global Fund's fund portfolio manager for the DRC, in 2014 the government was again asked to help establish a harmonized and sustainable system among donors for paying incentives. He said the MOH did not meet the conditions set out, so the Secretariat decided to freeze all incentive payments from the beginning of 2015. The freeze was lifted a couple of months later because the Fund decided it was too risky to stop payments altogether.

The donors decided it was not possible to reach agreement with the government, so they worked among themselves to find a harmonized way of transitioning away from salary incentives. The government was kept informed of developments.

One issue they had to overcome was that the government was not always able to provide correct information about what everyone within the Ministry of Health was being paid. Mr Farcy said some people were being promised government salary incentives, but weren't receiving them. Others said they weren't receiving salaries, but in fact were getting them.

“The processes are very chaotic,” he said. “How can we rely on what the people are saying if those people themselves do not know exactly?”

With the help of PricewaterhouseCoopers, the donors were able to agree on a salary ceiling for each level. The agreement was that the top-ups would not represent more than 60% of the salary. The plan is being seen as a transitory approach, and the donors have agreed they will decrease the ceiling over time. Currently, the plan is to decrease it to 50% at the beginning of 2017.

The government is expected to take responsibility for paying these salary incentives over time.

Dr Bruno Miteyo Nyenge, the Executive Director of Caritas, one of the civil society principal recipients (PRs) for the DRC grants, told Aidspan that the salary incentives paid to the staff of the government PRs were necessary because of the very modest salaries they receive from the state. “These incentives motivate the workers to implement the grants effectively and to guard against possible fraud,” he said.

Dr Miteyo said that the salaries of the staff of the civil society PRs are determined by the Global Fund. However, he noted that there are discrepancies in the way staff in the different PRs who are doing the same work are being remunerated. “There is a need, therefore, to harmonize the salaries for each position. We believe that the responsibility for doing this lies with the CCM, the Global Fund and the donors.”

Carola Jacobi-Sambou, Resident Director the GIZ bureau in the DRC, told Aidspace that in the last few years GIZ has stopped the practice of paying incentives in development projects financed by the German Government in DRC. “While we see this practice very critically in terms of sustainability, we are aware of the difficulties encountered especially in remote areas inside the country to engage qualified local personnel of public institutions in the execution of development programs.”

Ms Jacobi Sambou added that GIZ welcomes the efforts by Global Fund to coordinate and harmonize any payment practices among donors “as a first step towards a more focalized use of this instrument.”

David Garmaise contributed reporting for this article.

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