

Sector and Country Context for the Choice of Aid Modalities: Case of Health Sector, Uganda and Vietnam

Roadmap

1. Why Health, Uganda and Vietnam
2. Comparison in priority of country needs
3. Comparison in recipient-donor relationship
4. Case of Vietnam

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Discussion

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Yumiko Niya, GRIPS Development Forum (y-niya@grips.ac.jp)

Health, Uganda, Vietnam
Priority of country needs
Recipient donor relation
Vietnam case study

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Selection process of aid modality has two stages...

- Ohno's presentation: Proposal of conceptual frameworks for capturing different sector and country context in each step.

Priority of Country Needs:

Recipient-Donor Relationship:

• Optimal mix of different modalities
• With concrete coordination mechanism

- This presentation: Through the case of health sector in Uganda and Vietnam, the presentation will demonstrate
 - 1) sector and country differences more specifically
 - 2) how they affect the selection of aid modalities.

- Why Health, Uganda and Vietnam
Typology of sectors by the role of public expenditure
- Comparison in priority of country needs
Uganda and Vietnam
- Comparison in recipient-donor relationship
Uganda and Vietnam
- Vietnam case Study
Complex development priorities & limited openness to external influence
- Discussion
Tensions within the agenda in countries like Vietnam

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Typology of Government-role and Public Expenditure's role Why examine the Health sector ?

	Role of government	Role of public expenditure	Typical example
Type A	Service provider	Primary	Primary education, [Primary Health]
Type B	Regulator/promoter of private activities	Subordinate	Private sector development
Type C	Mixture of A and B	Complementary	Agriculture, [Primary Health]

- Why this typology? Modality choice is deeply related to the public expenditure's flow (Ohno's presentation).
- Some sectors can be categorized in different type depending on country situation. Examining such sector can make an appropriate case for contrasting country difference.
- The primary health care (PHC), can be categorized either in Type A (Uganda) or Type C (Vietnam).

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Comparison of 2 types of Health development environment: Uganda and Vietnam

Country	Uganda	Vietnam
Health Status	Low health status with disease patterns concentrating on communicable disease	Relatively higher health status with shifting disease patterns from communicable to non-communicable Diseases
Primary Health Care network	Public PHC network is yet to be established and function properly	Well-developed public PHC network with an increase in private health care providers
Aid Dependency	High	Low

Two low income countries, two very different situations...

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Comparison in Development Priorities and Needs Uganda and Vietnam

Priority Needs / Country	Supply side	Demand side	Role and flow of public expenditure (PE)	Aid modality
Uganda	Establishment of public PHC network	Stimulating health demand by introducing free service	Both development and recurrent expenditure can be streamlined into public PHC network	-SWAP as a framework -Common fund as a financial instrument
Vietnam	Quality improvement in both i) existing public PHC network and ii) emerging private providers	Establishing financial mechanism to cover high out of pocket expenditure (80%).	Three tiers: -Quality improvement of public PHC -Regulatory role for private providers -Demand side Financing [Handout Figure 1]	??

- Uganda: SWAP with common fund functioning as a tool to strengthen the unified flow of PE.
- Vietnam: Complex PE, what is suitable aid modality?

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Comparison in Aid Relationship Uganda and Vietnam

Uganda:

- Aid provides 60-70% of total funding to the health sector, including budget support, projects and NGO support (2002/03)
- Before introducing SWAP, "aid projects are fragmented and proved relatively ineffective and inefficient."
- Open to external influence with strong ownership of the Uganda Gov. at the macro (PRSP/PEAP) and sector levels.

→ SWAP with common fund functioning as a tool to improve Harmonization (among donors) and alignment (to gov. strategy and system).

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Comparison in Aid Relationship Uganda and Vietnam (findings from fieldwork in Vietnam, Feb. 2005)

Efficiency Level	Aid money: Large No. of projects and donors (Handout Table 3) with manageable level (only 13% of total public funding to health care)
Project	Vietnamese side questioned: <ul style="list-style-type: none"> • Transaction cost • Design of projects
Program	Demarcation among donors at two levels: <ul style="list-style-type: none"> • Vertical programs (total 10) • Referral levels
Strategy	<ul style="list-style-type: none"> • Strong ownership of the Gov. • Integration into gov. systems (both planning and budget) with limited role of the Ministry of Health.

⇒ Aid relationship under control, no need for alternative aid modalities and/or coordination mechanism?

Vietnam's Case Show Complex Development Priorities & Limited Openness to External Influence (findings from fieldwork in Vietnam, Feb. 2005)

Efficiency Level	Overall gov. expenditure: seriously questioned by both Vietnamese researchers and donors.
Project	Behavior problems in bureaucracy system
Program	<ul style="list-style-type: none"> • Burdens of managing different programs at local level? • Appropriateness resource allocation between referral (geographical) levels?
Strategy	The strategies exist but <ul style="list-style-type: none"> • Difficulty in interpreting strategies into prioritized action (what to do?). • Inflexibility in resource re-allocation towards new priorities (how to do?).

⇒ How donors can address these issues with small leverage by low aid dependency & being separately managed from the overall public expenditure cycles?

Learning's from the Vietnam Case Possible Entry Points for Countries Like Vietnam

- ⇒ **Strategy Level:** Establishing common platform for discussing concrete methods of what to do and how to do for implementing existing strategies.
Creating mutual understanding and trust is more important than the transfer of aid money as incentives and/or rewards for the reform.
- ⇒ **Program level:** Strengthening programmatic approach within vertical programs and referral level.
Including procedural harmonization and resource sharing, depending on thorough assessment of readiness by both donor and Vietnamese sides.
- ⇒ **Project level:** Donors' effort to improve quality of their intervention.
Appropriate design respecting the local needs / existing local standards, as well as simplification of procedures.

Discussion: Tensions within the Agenda in Countries like Vietnam

