



Chapter 15

Decentralized Public Sector Agencies

1. Introduction

Decentralized public sector agencies play an important role in bringing MAP resources closer to beneficiaries in general and to communities in particular. Under the MAP, important aspects of project decision-making, implementation, financial management and monitoring and evaluation are devolved to decentralized levels of government.

This chapter provides lessons learned that may assist a MAP country in identifying a suitable decentralized project management and coordination process.

2. Why sub-national level response?

The major objective of decentralization of project implementation responsibility under the MAP is to bring the project resources nearer to the project beneficiaries, create wider ownership, and empower government's service delivery structures to make decisions that are for the benefit of their constituencies in the fight against the HIV/AIDS.

3. What are the possible sub-national level government entities under the MAP?

Sub-national responses through NAC/NAS

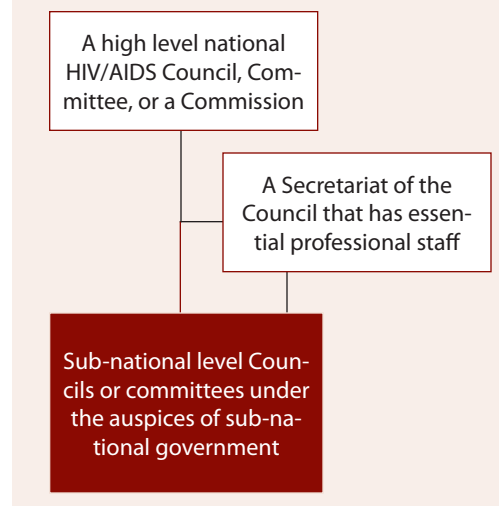
Generally, there are two tiers of management structure involved in MAP projects: (a) a high level HIV/AIDS Council, Committee, or a Commission (NAC), which is supported by a secretariat having a group of professionals; and (b) a sub-national level HIV/AIDS committee established under the auspices of an appropriate level of the government structure (Figure 15.1).

The membership of the NAC should equally represent the public and non-public sectors. The NAC establishes its secretariat (NAS), staffed with the professionals and technical personnel who essentially perform the coordination of the MAP project but not implementation.

Typically, the NAC/NAS creates HIV/AIDS committees at lower levels of government to coordinate and facilitate community level subprojects. In principal, such committees should be established at the lowest possible level with the recommended membership of 50-50% representation from the public and non-public sectors.

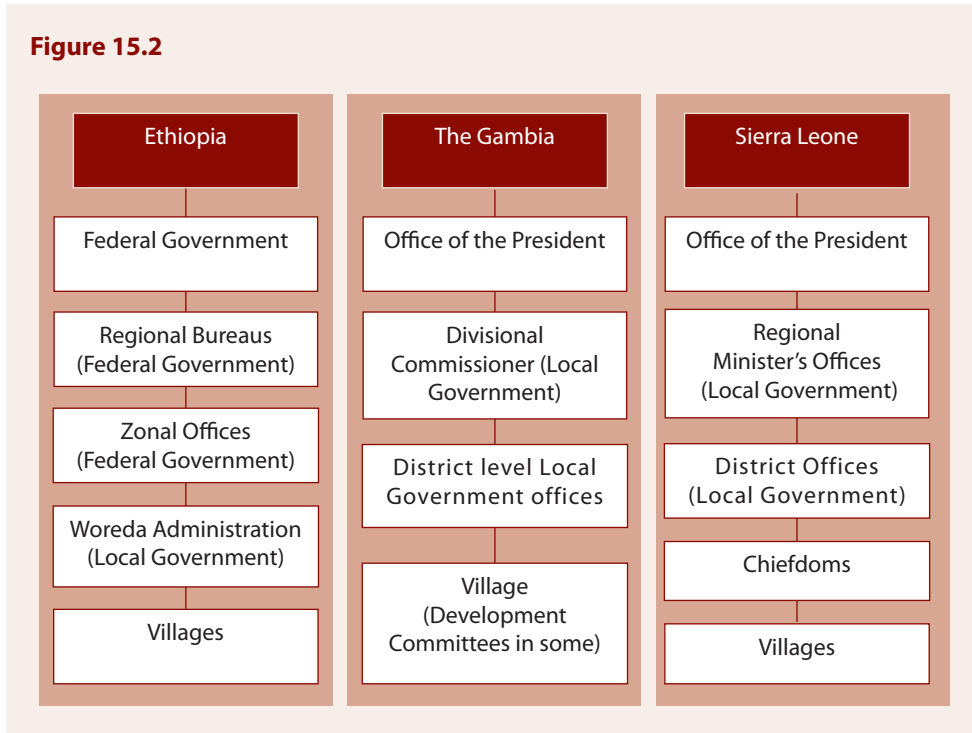
Please refer to Chapter 7 on NAC and NAS for a general description of their roles and responsibilities.

Figure 15.1



Typical government hierarchies

The government structure differs from one country to another; therefore, identification of an appropriate level(s) of decentralized government body for the MAP should be made accordingly. Examples of government hierarchy in several MAP countries are presented in Figure 15.2.



Criteria for selecting an appropriate government body for the MAP

Governments often establish HIV/AIDS Committees or Councils at the following three levels under the auspices of a relevant government body:

- A National HIV/AIDS Council and its Secretariat (NAC/NAS) – **top** level, preferably under the office of the president or vice-president. NAC (through its secretariat or directly) may constitute HIV/AIDS committees at:
- A regional, divisional, or provincial level – **middle** level. This may be suitable for geographically large or populous countries; and may be under a local government body. For example, the regional government (Ethiopia) or under the district commissioner's office (The Gambia).
- A district (or sub-district level) – **lower** level, under the local government. For example, at Woreda (District) level in Ethiopia.

Normally, the sub-national committee should be established at the lowest level where all the following stakeholders are present.

- Existence of a local government body;
- Key ministry representatives present (for example, ministries of agriculture, education, and health);
- Presence of NGOs;
- Presence of Community Based Organizations.

How many levels of decentralization?

The question of having sub-national HIV/AIDS committees only at the lowest level possible, or to have them at the various levels of the government structures, should be considered with care. Both options have positive and negative points.

For larger countries (geographically or population), it may be advantageous to have intermediary level government bodies (provincial/regional/divisional) to be subsequently responsible for a number of lower level HIV/AIDS committees (district/woreda/constituencies; for example Ethiopia, Kenya). However, this will depend whether there is sufficient capacity in NAC/NAS to: (a) establish these committees, (b) mobilize them, and (c) provide necessary resources to them quickly – and to sustain the support. The coordination of implementation activities of many committees at multiple levels of government hierarchy has so far proven to be a major challenge.

The disadvantage of such structures is that they tend to create additional bureaucracy which takes time to be established and mobilized; and which slows down the process of getting resources nearer to the beneficiaries as fast and as efficiently as possible, which is one of the main objectives of the MAP.

The preferred option is to have sub-national level HIV/AIDS committees as close to the beneficiaries as possible, with minimal intermediary layers. However, a careful management capacity assessment should be made first. This means, if the government system includes district level committees and if there are too many districts, then the supervision and coordination task may become a serious bottleneck during project implementation. Thus, a provincial/divisional (or one level higher) HIV/AIDS committee may be more appropriate.

The major benefit of having a competent sub-national HIV/AIDS Committee under a local government body is that a large number of small-scale community based subprojects stand a chance of being quickly appraised and approved and implemented without being referred back to NAC/NAS for lengthy approval.

Figure 15.3: Figure 15.3 a, b, and c present 3 possible scenarios (arrows show flow of funds):

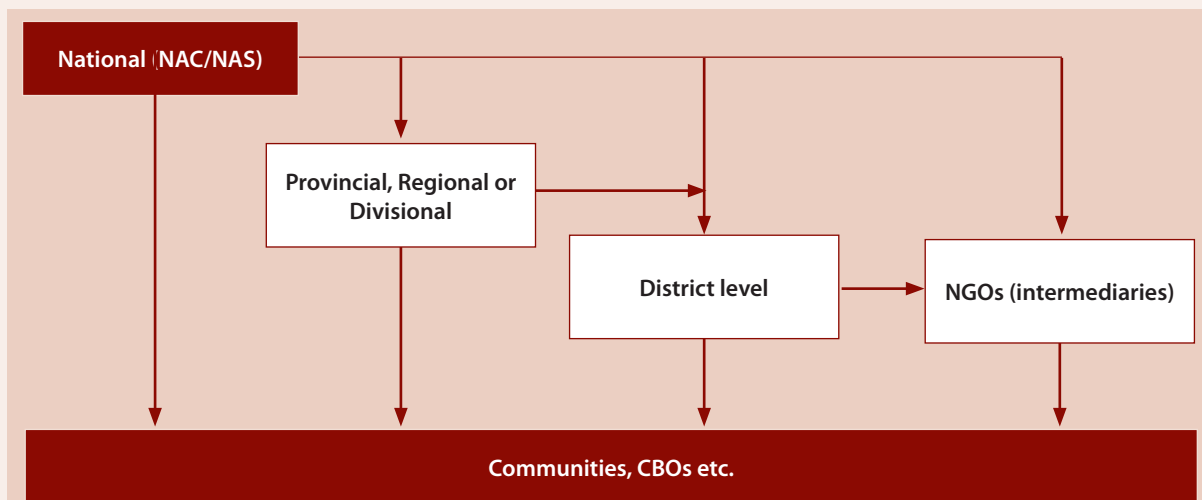


Figure 15.3a Grant funds can be channeled down through all possible government bodies (NGO shown as example)

Figure 15.3 b: Scenario 2

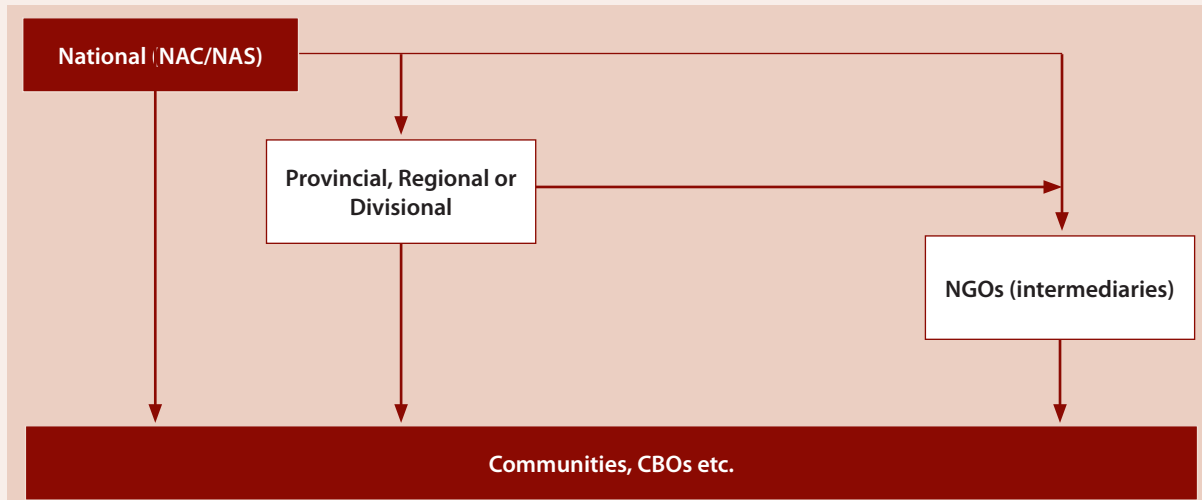


Figure 15.3b Grant funds can be channeled down through National and Provincial bodies only (NGO shown as example)

Figure 15.3 c: Scenario 3

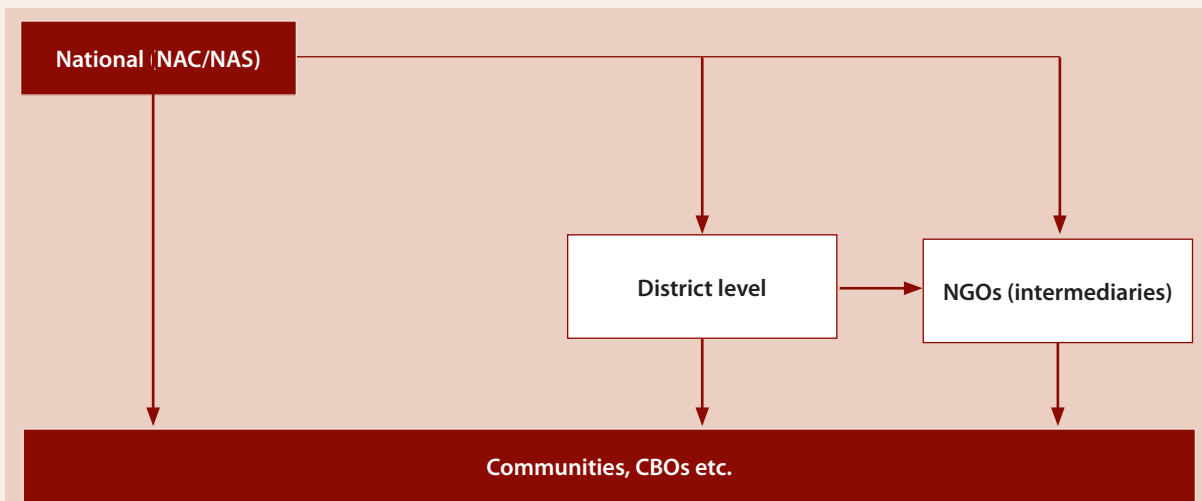


Figure 15.3c Grant funds can be channeled down through National and District bodies only (NGO shown as example). This seems to be a particularly “empowering” scenario.

There are two main cascades of decentralization of public sector funds at the sub-national levels: (a) local government, and (b) public sector functions (or line ministries such as, agriculture, education and health). MAP projects should ensure that these two cascades are operationally linked at the sub-national level. This warrants representation of at least key public sectors.

Another channel to bring MAP resources to the communities as fast as possible would be to use existing social fund mechanisms (if there is one). An operational and experienced social fund mechanism may be a faster way to deliver MAP resources to communities. NAC/NAS can sign a memorandum of understanding with the national social fund management for the purpose²⁰. However, there are also constraints (See Chapter 11).

Composition of decentralized HIV/AIDS committees

Members of the sub-national HIV/AIDS committees might include, for example, the divisional commissioner (as a permanent member but not necessarily as a chairperson), representatives of NGO/CBOs, representatives of participating line ministries, religious groups, women and youth, and people living with HIV/AIDS. The chairperson is recommended to be selected among the members for ideally a one-year period, on a rotational basis. The selection of members and their responsibilities should be determined on a participatory basis.

All community-based activities are usually implemented through NGO/CBO and CSOs (including the private sector). The committee would receive applications for small to medium size subprojects, appraise the proposal for approval and monitor the implementation of the subprojects.

Sub-national responses through participating line ministries

The participating line ministries to the MAP project would essentially focus on implementing their planned activities through their existing channels. These may include:

(i) At the national level

- Appointment of a focal point at the central ministry level. This can either be (a) a fulltime new position under the MAP, or (b) a fulltime secondment of a relevant existing staff (financed by the government). This person would have the responsibility of coordinating and supervising all HIV/AIDS relevant initiatives in his/her ministry, and would report to the highest level (a permanent secretary or the minister);
- Constitution of an intra-ministry HIV/AIDS team. This team of a few key persons, with the assistance of the focal point, could be established in each participating line ministry. This facilitates in several ways: (a) ownership of initiatives and plans, (b) sharing of responsibilities during planning and implementation, (c) a team approach towards MAP objectives.

(ii) At the sub-national level

- MAP resources can be used to develop capacity at subsequent government levels within the line ministries. For example, a core team of 2-3 people at regional/divisional/provincial and district levels fully sensitized in HIV/AIDS related issues and matters; who become champions of MAP initiatives for their colleagues and their clients;
- In certain instances, for example the Ministry of Education, may also create a core team for a cluster of schools from a group of teachers to become focal points for that cluster;
- These sub-national level core-teams may be provided with essential resources as deemed necessary to implement MAP initiatives;
- The representatives of line ministries should be the members of Sub-National HIV/AIDS Committees to integrate their efforts and coordinate their activities at the sub-national levels.

²⁰ In one country a social fund meets initially with a community to discuss the priorities for traditional development projects for which the community can have access to "loan" funds. Only after this process is complete does the social fund discuss with the community HIV/AIDS projects which are provided as grants. This separation maintain the integrity of the traditional social fund while allowing MAP program to use this mechanism in the war against HIV/AIDS.

Harmonization/coordination

Line ministries (or their sub-national offices) do not manage the community grant funds under the MAP. This fund is managed by the sub-national HIV/AIDS committees. However, line ministry representatives would be members of the committee and their major role would be to mobilize their colleagues and their clients to have access to the community funds and to undertake community based initiatives per their priorities and within the MAP objectives.

4. Financial management

All Sub-National HIV/AIDS Committees should have the capacity to:

- Manage a bank account (for example, the district accountant, or an accountant hired under the project as an individual or through a financial management firm);
- Appraise community subprojects to ensure basic financial management aspects are clear;
- Consolidate expenditure statements and preparation of periodic financial reports (also see Chapters 19 and 20 on financial management and disbursements).

The line ministries (including the Ministry of Health) do not need to have a decentralized financial management set-up. Considering their scope of activities, which is generally going to be mobilization of their staff and clients, they can manage their finances from the central level.

There are two options for the financial management of the participating line ministries: (a) financial management done by the NAC/NAS and the disbursement of finances directly from NAC/NAS; and (b) each participating line ministry operating a MAP project bank account and conducting its financial management itself.

The second option is only feasible when there is satisfactory capacity for managing project finances. The disbursements can be made based on annual work plans.

5. Procurement management

(i) Sub-national level HIV/AIDS committees

- The sub-national level committees would follow the procurement procedures set out by the government which have been agreed with the funding agencies during project preparation. There are two types of procurement they would undertake: (a) procurement related to operational expenditures and consumables including hiring of consultant services, firms, NGOs and individuals; and (b) contract management of the community grant component. Also refer to Chapter 21 on procurement;
- The MAP resources from NAC/NAS level can be used to train sub-national committee personnel in the basics of procurement planning and management, including appraising and monitoring procurement activities carried out by subproject implementers.

(ii) Line ministries

- If a line ministry at the national level has sufficient procurement management capacity, then the MAP project can let the ministries do their own procurement and be accountable to NAC/NAS. The Ministry of Health, due to its unique and technical responsibility, should ideally have its own procurement management unit. However, this should be carefully assessed during project preparation.
- To date, there has been no need to decentralize line ministries procurement responsibilities to its sub-national office.

6. Monitoring and Evaluation

- All national and sub-national entities should be responsible to report periodically on three aspects of project implementation: (a) physical implementation; (b) financial status; and (c) monitoring of program activities;
- The frequency, content and format of the reports should be agreed during MAP preparation and revised as suitable during implementation;
- The sub-national HIV/AIDS committees should report on the activities carried out since the last report including financial statements, and on the subprojects processed and respective amounts disbursed;
- The line ministries should report on the activities carried out since the last report and the financial statements.

7. Lessons learned and recommendations

- **Empowerment should be maintained.** If a central feature of MAP design is to empower implementing agencies by giving them: (a) the authority to decide on what HIV-AIDS programs they wish to undertake; and (b) the money to accomplish (a), creating sub-national structures should not result in a “command and control” mentality that disempowers implementing organizations, especially those at the community level.
- **Sub-national level HIV/AIDS committees should be established at the lowest level possible where all main stakeholders are present.** The fewer the levels of government hierarchy involved in getting resources down to the communities, the better and faster is the response. However, establishment of the number of decentralized HIV/AIDS committees should be directly relevant to the coordination capacity of the National HIV/AIDS Secretariat; There are serious coordination challenge associated with decentralized systems, especially if the country is large (geographically or in terms of population);
- **50-50% membership** of government and non-government representatives in NAC and in the sub-national HIV/AIDS committees has helped in maintaining transparency, equity in using project resources, and getting high level commitments from the government and non-government sectors equally;
- **Emphasis should be put in the capacity development** of the members of decentralized bodies in HIV/AIDS program planning and management. There should be regular refresher training programs;
- **Generally, the highest level government representative (for example a commissioner or a member parliament) at the sub-national level sometimes acts as the permanent chairperson of the HIV/AIDS committee.** Since they have many other responsibilities, they usually do not find time to regularly chair the committee meetings and approve community projects. Therefore, it is more practical that the chairperson be selected among the members through a participatory approach, and rotated on annual basis. This will ensure an operationally functional HIV/AIDS committee.
- **Local politics may influence** the proposal review process as well as the control of funds. This can be mitigated by having broad stakeholder membership and open meetings;
- **A sub-national HIV/AIDS committee integrates other line ministries at that level.** For example, a district education officer, or a district extension worker etc. participates, thus improving sub-national level multi-sectoral planning and coordination;
- **In each line ministry at all government levels the presence of a core team (2-3 persons), fully sensitized in HIV/AIDS related prevention and care issues and MAP objectives,** with access to essential relevant IEC materials and other necessary resources, including financial resources, can greatly benefit other ministerial staff, their dependents and their clients at large.

- **The duration and the process involved in processing a grant application at the sub-national level should be clear to the grant applicants.** These applicants should have the right to complain to NAC/NAS if a sub-national office does not take action within the application processing time. Criteria for the grants should be so clear that the applicants essentially “self-select” themselves.
- **Motivational means for HIV/AIDS committee members at the sub-national levels** (within the decentralized system) should be considered in the institutional arrangements and financial allocations;
- **There are cases where decentralization at all government levels has encouraged the establishment of ‘briefcase’ NGOs/CBOs with diverse motives.** However, as long as these NGOs/CBOs demonstrate basic subproject management skills, a MAP project can finance their proposals, but priority should be given initially to scaling up activities of existing/experienced NGOs/CBOs;
- **Demand for subproject funding in some countries make exceed immediately available funds.** However, some measures can be undertaken to finance prioritized activities in the submitted proposals. Specific instructions/guidelines should be distributed to the decentralized bodies in coping with such situations. Since it is likely that additional funds can be made available from donors, including through the MAP program, “rationing” of funds in the medium term would not appear necessary;
- **An integrated communications strategy should be prepared and implemented** among the decentralized agencies at all levels (national, regional/provincial, district and village);
- **Fiduciary (financial and procurement) reporting system** should be developed and implemented before the financing of the sub proposals. Many MAP countries are currently facing reporting problems;

