

THE UNITED REPUBLIC OF TANZANIA  
PRIME MINISTER'S OFFICE  
TANZANIA COMMISSION FOR AIDS

**PUBLIC EXPENDITURE REVIEW  
HIV/AIDS MULTI-SECTORAL UPDATE FOR 2003**

April 2003

FINAL REPORT

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## ii. ABBREVIATIONS

AG	Accountant General
AIDS	Acquired Immune Deficiency Syndrome
DFID	Department for International Development
DAC	Donor Agency Committee
FY	Fiscal Year
GOT	Government of Tanzania
HIV	Human Immunodeficiency Virus
IFMS	Integrated Financial Management System
LGA	Local Government Authority
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
MOA	Ministry of Agriculture and Food Security
MOEC	Ministry of Education and Culture
MOF	Ministry of Finance
MOJ	Ministry of Justice
MOCDWC	Ministry of Community Development, Women and Children
MOH	Ministry of Health
MOLYDS	Ministry of Labour, Youth Development and Sports
MOL	Ministry of Lands and Human Settlements Development
MOW	Ministry of Works
NGO	Non-governmental Organisation
NMSF	National Multi-sectoral Strategic Framework
PO-RALG	President's Office – Regional Administration and Local Government
PMO	Prime Minister's Office
PRSP	Poverty Reduction Strategy Paper
PER	Public Expenditure Review
SDC	Swiss Agency for Development and Co-operation
TACAIDS	Tanzania Commission for AIDS
TOR	Terms of Reference
UNAIDS	United Nations AIDS
WB	World Bank

### **iii. ACKNOWLEDGEMENTS**

The Tanzanian Commission for AIDS (TACAIDS) of Prime Minister's Office, with financial support from the Department for International Development (DFID) of the UK Government, commissioned the HIV/AIDS Multi-sectoral Public Expenditure Review Update for 2003. The update was undertaken by Mr. Andrew Thompson, Consultant to the DFID Health Systems Resource Centre and Ms. Beng'i Issa, Director of Finance, Administration and Resource Mobilization, TACAIDS. Technical support was provided by members of the HIV PER Working Group, in particular Dr. Joseph Temba, Chairman, TACAIDS, Ms. Jacqueline Mahon, Health Advisor, Swiss Agency for Development and Co-operation (SDC), and Mr. Iain Jones, Assistant Economic Advisor, DFID. Other members of the HIV PER Working Group include, Dr. Bergis Schmidt-Ehry, GTZ, Dr. Phil Gowers, World Bank, Mr. Emmanuel Malangalila, World Bank, Ms. M. Bukuku, TANGO, Civil Society Representative, and Dr. Binagwa Care, Civil Society Representative.

The authors wish to thank those who provided valuable information and guidance including, Mr. Nashon Magambo, Budget Commissioner, Ministry of Finance (MOF), the office of the Accountant General, MOF, Ms. Hazel Gray, Economist, Aid Co-ordination Desk, MOF, Ms. Hilde Basstanie, Country Programme Advisor, UNAIDS, Ms. Lisbeth Loughrin, Health Advisor, USAID, and Mr. Paul Smithson, Health Advisor, DFID.

In addition the authors would like to thank the HIV/AIDS Programme Co-ordinators of selected ministries for their valuable insight on HIV/AIDS programming and financial management.

#### **iv. EXECUTIVE SUMMARY**

This update of the HIV/AIDS Multi-sectoral Public Expenditure Review reports on the state of HIV/AIDS financing and expenditure by the government of Tanzania (GOT). Its purpose is to support the initiative by key stakeholders, including the Tanzania Commission for AIDS (TACAIDS) in the Prime Minister's Office, line ministries and development partners, to mainstream HIV/AIDS activities across the sectors of the GOT.

The principle objectives of the update are to:

- a) report recent expenditure and budget estimates for HIV/AIDS programmes from a multi-sectoral perspective;
- b) assess the feasibility of improving the tracking of HIV/AIDS-related financial flows across all sectors;
- c) recommend ways to improve the draft narrative section in the National Budget Guidelines for FY2003/04 so that sectors give adequate weight to HIV/AIDS in their work plans and budgets; and
- d) assess the capacity of key sectors to formulate effective plans and budgets for their distinctive contribution to the multi-sectoral response and to recommend ways to build this capacity in the short (2003/4 budget round) and medium term so that HIV/AIDS is more adequately reflected in budget submissions.

##### **A. Expenditure and Budget Estimates**

Financing of HIV/AIDS programmes in the GOT increased almost two-fold between fiscal year (FY) 2001/02 and FY 2002/03, indicating that the GOT and development partners are channelling more resources to HIV/AIDS and are re-doubling efforts to fight HIV/AIDS in the public sector. Moreover, GOT increased its share of total funding from 20 percent in FY 2001/02 to 33 percent in FY 2002/03.

TACAIDS has replaced the MOH as the most important government institution regarding HIV/AIDS financing. The share of total HIV/AIDS financing by TACAIDS in FY 2002/03 increased from ten percent in FY 2001/02 to 48 percent in FY 2002/03. Meanwhile the share of total HIV/AIDS financing by the MOH decreased from 69 percent in FY 2001/02 to 35 percent in FY 2002/03.

Overall the financing of HIV/AIDS programmes in the GOT rose sharply. However the rise is due mainly to increases made by a few sectors, most notably TACAIDS. Most sectors did not increase financing in FY 2002/03 considerably beyond expenditure levels in FY 2001/02. This situation indicates that although some progress has been achieved in mainstreaming of HIV/AIDS planning across sectors there is considerably more work to be done.

There is concern that TACAIDS does not yet have the capacity to absorb its sizeable budget allowance. Ninety-nine percent of the TACAIDS budget allowance was unspent FY 2001/02, and 81 percent remains unspent in FY 2002/03.

There is also concern that the Integrated Financial Management System (IFMS) under-reports actual budget and expenditure data on HIV/AIDS. Four of five priority ministries with available data report a considerably higher budget for HIV/AIDS than what is recorded by the IFMS. The IFMS under-reports the MOH budget request by 60 percent and the MOEC budget by 41 percent. The apparent discrepancy indicates that a sizeable amount of expenditure on HIV/AIDS goes un-recorded by the IFMS in many sectors. This gap in reporting may undermine efforts to accurately measure the multi-sectoral response to HIV/AIDS.

## **B. Tracking Financial Flows**

The IFMS needs to provide more comprehensive and detailed information on HIV/AIDS financial flows in order for analysts to accurately monitor the mainstreaming of HIV/AIDS programmes across sectors. First, the work plans and budgets for HIV/AIDS activities in the

sector MTEFs must be linked with the strategic objectives of the NMSF. Second, the coding of HIV/AIDS and key sub-components (e.g. funding sources, strategic objectives and line items) must be integrated into the classification structure of the IFMS. It is recommended that HIV/AIDS be coded at the activity level of the IFMS classification system.

The proposed re-classification of HIV/AIDS in the IFMS could be used to:

- rapidly obtain detailed information on recent HIV/AIDS expenditure;
- link HIV/AIDS activities in the MTEF to the NMSF objectives, thus providing information in the monitoring of the execution of the NMSF;
- monitor progress in the mainstreaming of HIV/AIDS among sectors (Sectors not making progress in mainstreaming HIV/AIDS programs into their work plans could be identified easily);
- produce regular and consistent multi-sectoral HIV PER updates, which are mandated annually by the NMSF; and
- measure progress on Goal 3 of the NMSF: *Ensuring that Political and government leaders consistently give high visibility to HIV/AIDS in their proceedings and public appearances;*

### **C. Budget Guidelines**

The National Budget Guidelines should provide more detailed guidance on planning and budgeting for HIV/AIDS programmes. First, the guidelines should identify types of HIV/AIDS activities that are appropriate for each sector. The suggested activities also should be linked to the objectives of the NMSF. Furthermore the activities should identify targets of outputs to be produced by each activity as well outcomes to be expected. Second, the guidelines should emphasise the importance of HIV/AIDS programming and that it is to be a normal part of sector activity. Third, the guidelines should indicate realistic funding requirements and inform sectors of the amount of funds available for HIV/AIDS.



The budget guidelines on HIV/AIDS should include the following:

- rationale for including HIV/AIDS work plans into sector budgets;
- comprehensive list of NMSF objectives and activities to be conducted;
- suggested activities for each sector mapped to NMSF objectives including funding requirements and estimated unit costs;
- realistic output and outcome targets for each activity; and
- list of sector HIV/AIDS Co-ordinators and contact information.

#### **D. Capacity Assessment**

When developing the strategic work plan for FY 2003/04 TACAIDS should be aware of its limited resource capacity at present. TACAIDS is responsible for implementation guidance and financial management systems for HIV/AIDS activities, including:

- a) Mobilizing line ministries and local government authorities to mainstream HIV/AIDS in work plans and budgets.
- b) Adjusting the IFMS classification to improve the capacity to track HIV/AIDS finance flows.
- c) Developing a supplement to the National Budget Guidelines that provides detailed guidance to sectors in HIV/AIDS planning and costing.
- d) Providing one-on-one technical guidance to sectors in HIV/AIDS planning and budgeting.
- e) Monitoring the flow of all funds for HIV/AIDS in Tanzania, including contributions from the GOT, development partners, and NGOs.

It is clear that additional financial staff will be necessary to meet these responsibilities. In addition TACAIDS should foster stronger ties to key institutions involved in the HIV/AIDS planning and financing process. The most crucial ties are with the offices of the Budget

Commissioner in the MOF and with PO-RALG. Stronger ties to these institutions will help to ensure the smooth transfer of complete, detailed and timely financial information.

## **1. INTRODUCTION**

### 1.4 Purpose and Objectives

This update of the HIV/AIDS Multi-sectoral Public Expenditure Review reports on the state of HIV/AIDS financing and expenditure by the government of Tanzania (GOT). Its purpose is to support the initiative by key stakeholders, including the Tanzania Commission for AIDS (TACAIDS) in the Prime Minister's Office, line ministries and development partners, to mainstream HIV/AIDS activities across the sectors of the GOT.

The principle objectives of this update are to:

- a) report recent expenditure and budget estimates for HIV/AIDS programmes from a multi-sectoral perspective;
- b) assess the feasibility of improving the tracking of HIV/AIDS-related financial flows across all sectors;
- c) recommend ways to improve the draft narrative section in the National Budget Guidelines for FY2003/04 so that sectors give adequate weight to HIV/AIDS in their work plans and budgets; and
- d) assess the capacity of key sectors to formulate effective plans and budgets for their distinctive contribution to the multi-sectoral response and to recommend ways to build this capacity in the short (2003/4 budget round) and medium term so that HIV/AIDS is more adequately reflected in budget submissions.

### 1.5 Rationale

The economic impact of HIV/AIDS in Tanzania is severe – through lost productivity, increasing dependency ratio, and the ever-escalating cost (to government and households) of care for

infected individuals. Moreover the impact of HIV/AIDS will strain the GOT's ability to deliver social services. Therefore a rapid acceleration of effort to prevent HIV transmission, mitigate its impact and care for those affected must be a top priority at each level of government. The importance of this priority is clarified in the mission statement of the National Multi-sectoral Strategic Framework on HIV/AIDS (NMSF) 2003-2007:

*To guide and safeguard the intensification and expansion of HIV/AIDS prevention, care, support and mitigation programmes within a framework of a well co-ordinated national multi-sectoral response by the National Government, anchored at the Local Government Councils, rooted in communities and actively supported by partnerships with all concerned stakeholders.*

Translating policy commitment into action will only be possible when sufficient budgetary resources are made consistently available for HIV/AIDS programmes across a range of sectors and at different levels of government. The NMSF identifies the mainstreaming of HIV/AIDS programmes as a key strategic objective. Therefore the inclusion of HIV/AIDS interventions into the work plans and budgets of all sectors is to be a normal part of the planning process.

In most sectors there is insufficient focus on HIV/AIDS in the course of planning and budgeting. This is for a variety of reasons, including:

- No additional funds in the budget ceilings to incorporate HIV/AIDS programmes in sectors, particularly in those sectors (e.g. Ministry of Education and Culture) where a sizeable increase in funds are required.
- Lack of emphasis on HIV/AIDS in the narrative section of the budget guidelines.
- Lack of awareness among sectors in determining what the appropriate contribution to the multi-sectoral response should be.
- Lack of expertise among sectors in developing detailed plans and budgets for HIV/AIDS programmes.

- Lack of capacity at the national level to appraise draft budgets in order to assure adequate inclusion of HIV/AIDS programmes in work plans and budgets.
- Inability to track budgets and expenditure on HIV/AIDS programmes across multiple sectors and departments.
- Failure to perceive HIV/AIDS as a normal part of sector activity.

## 1.6 Sources

To complete the four objectives (a-d) listed in section 1.1 information was obtained from the following sources:

- Medium Term Expenditure Frameworks (MTEF) 2002/03 - Information from sector MTEFs was used to help complete Objective A. For fiscal year (FY) 2002/03 only three sectors (Ministry of Health, Ministry of Education and Culture, and Prison Services) produced MTEFs that included work plans and budgets for HIV/AIDS programmes.<sup>1</sup> For fiscal year 2003/04 all nine priority sectors for HIV/AIDS are expected to include work plans and budgets in their MTEFs.<sup>2</sup>
- HIV/AIDS PER Sector Questionnaire 2003 – The information from this source was used to help complete Objectives A, C and D. The questionnaire seeks information from each sector on HIV/AIDS expenditure, budgets, financing problems and recommendations for improving the financing process. A sample of the questionnaire can be found in Annex 3 of this report. This questionnaire was sent to the HIV/AIDS Co-ordinators of 17 sectors of the GOT on January 8, 2003.<sup>3</sup> On January 10 a meeting was held at TACAIDS to discuss

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<sup>1</sup> "TMAP Aide Memoire", World Bank orientation mission report, December 2-13, 2003.

<sup>2</sup> The nine priority sectors for HIV/AIDS are Prison Services, Prime Minister's Office/TACAIDS, Ministry of Education and Culture, Ministry of Works, Ministry of Lands, Ministry of Water and Livestock, Ministry of Health, President's Office of Regional and Local Government (PORALG) and Ministry of Agriculture and Food Security.

<sup>3</sup> A list of recipients of the questionnaire is available from Ms. Beng'i Issa, Director, Department of Finance, Administration and Resource Mobilization, TACAIDS.

the questionnaire with the HIV/AIDS Co-ordinators and members of the HIV/AIDS PER Working Group. It was agreed that the questionnaire would be completed and returned to TACAIDS by January 17. As of the January 23, only three sectors (Ministry of Works, Ministry of Lands and PO-RALG) have responded.

- Aid Flow Database – Information from this source was used to help complete Objective A. The database contains information on annual funding commitments from development partners to support HIV/AIDS programmes for 2002 – 2005. Information is reported according to donor agency, name of HIV/AIDS programme and recipient of funding (e.g. TACAIDS). The Aid Flow Database is managed by the External Desk Office of the Ministry of Finance (MOF).
- UNAIDS Donor Mapping Study 2001 – Information from this source was used to help complete the objective A. The study provides data on annual donor disbursements and commitments to HIV/AIDS programmes. This information was used to supplement data from the Aid Flow Database, which does not include disbursements from development partners for FY2001/02. The results of the study were obtained from the UNAIDS office in Dar Es Salaam.
- Key Interviews – Interviews were conducted with the offices of the **Accountant General** and **Budget Commissioner** in the MOF in January 2003. Information was obtained to help complete Objective B. An assessment was made of the capacity of the existing financial management system for tracking HIV/AIDS flows. Proposals for improving the tracking of HIV/AIDS financial flows were discussed.

#### 1.4 Limitations

This update presents information on funding and expenditure on HIV/AIDS in the public sector. However a complete picture of what is funded and spent on resources used to conduct HIV/AIDS activities in the public sector is not presented. The information presented in this update is mainly limited to preventive programmes that are dedicated to HIV/AIDS, such as the “National AIDS Control Programme” in the Ministry of Health (MOH) and the “Programme to Train Teachers in HIV/AIDS Counselling” in the Ministry of Education and Culture (MOEC).

Expenditure on treatment for people with HIV/AIDS is generally excluded from this update. This is because expenditure on the principle resources (mainly labour and medical goods) used in the treating people with HIV/AIDS is typically not recorded as “HIV/AIDS-related” in the accounts of the MOH. These resources are commonly used to provide an array of medical services, including HIV/AIDS treatment, and therefore cannot be readily linked to a particular category of care. Also excluded from this update are administrative expenditures made by the GOT and development partners to indirectly support HIV/AIDS activities. Consequently this update underestimates actual HIV/AIDS expenditure by a considerable amount.<sup>4</sup>

The key missing components of HIV/AIDS expenditure are:

- Resources that are shared in the production of multiple health services, including HIV/AIDS. These resources include mainly medical staff and medical goods.
- Resources that support HIV/AIDS activities such as administration and capital formation (e.g. buildings, vehicles, equipment). The pro-rated share of these overhead expenses is not considered.
- Resources that are used by development partners to provide administrative and technical support to HIV/AIDS programmes in the GOT. For example this includes the personal emoluments made to support staff of local and home-office donor agencies that fund HIV/AIDS programmes conducted by the GOT.

Data on these missing components cannot be readily extracted from existing financial instruments. To obtain the share of the expenditure on these resources for HIV/AIDS would require the application of a number of allocation variables. Allocating shared resource is an exacting and time-consuming activity, and therefore it is not part of the scope of work for this update.

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<sup>4</sup> It is not possible, under the scope of this update, to accurately estimate the extent to which HIV expenditure is under-reported.

## 1.5 Contents

The body of this update include an executive summary and sections addressing each of the four objectives listed in 1.1. The tables and figures that provide data to support findings are included in a separate file.

## **2. EXPENDITURE AND BUDGET ESTIMATES**

This section presents information that addresses Objective A: to report recent expenditure and budget estimates for HIV/AIDS programmes from a multi-sectoral perspective.

Table 2.1 presents information on the sources of funding of HIV/AIDS programmes in the GOT. The principle sources of HIV/AIDS funds are the GOT and development partners. Data on expenditure are presented for FY 2001/02 while data on budget allowance, approved by the MOF, are presented for FY 2002/03.<sup>5</sup>

The table shows that total funding for HIV/AIDS programmes in the GOT increased almost two-fold from FY 2001/02 to FY 2002/03. This increase indicates that the GOT and development partners are channelling more resources to HIV/AIDS and are re-doubling efforts to fight HIV/AIDS in the public sector.

The table also shows that the GOT increased its share of funding from 20 percent in FY 2001/02 to 33 percent in FY 2002/03. This increase indicates that, proportionally, the GOT is enlarging its role as a key contributor to HIV/AIDS programmes.



**Table 2.1. Sources of funding of HIV/AIDS programmes in the GOT**

<b>Source of Funding</b>	<b>2001/02*</b>		<b>2002/03**</b>	
	<b>Amount (TSH)</b>	<b>Share (%)</b>	<b>Amount (TSH)</b>	<b>Share (%)</b>
GOT	2,295,562,466	20%	7,251,694,571	33%
Development Partners	9,109,720,764	80%	14,693,112,036	67%
<i>Bi-lateral</i>	4,985,146,220		9,834,876,996	
<i>Multi-lateral</i>	4,124,574,544		4,858,235,040	
<b>Total</b>	<b>11,405,283,230</b>	<b>100%</b>	<b>21,944,806,607</b>	<b>100%</b>

\* *Expenditure*

\*\* *Budget Allowance*

Sources: MOF IFMS, 2002 UNAIDS Donor Mapping Study, MOF AID Flow Database

Table 2.2 presents information on the financing of HIV/AIDS programmes in the GOT according to the sector that receives the funds. Again, data on expenditure are presented for FY 2001/02 while data on budget allowance, approved by the MOF, are presented for FY 2002/03.

The table shows that in FY 2002/03 TACAIDS replaced the MOH as the most important government institution regarding HIV/AIDS financing. The share of total HIV/AIDS financing by TACAIDS increased from ten percent in FY 2001/02 to 48 percent in FY 2002/03 (see Figure 2.1). Meanwhile the share of total HIV/AIDS financing by the MOH decreased from 69 percent in FY 2001/02 to 35 percent in FY2002/03.

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<sup>5</sup> See Annex 1 for detailed information on budget allowance and expenditure according to GOT sector. See

The table also shows that, between FY 2001/02 and FY 2002/03, the change in financing among sectors was mixed. In the Ministry of Water and Livestock financing increased almost five-fold, while at the district level it increased by almost 75 percent. However in the Ministry of Education and Culture (MOEC), the third most important ministry in HIV/AIDS expenditure, financing rose by a comparatively low 17 percent. Meanwhile, financing decreased by almost 50 percent in PO-RALG and by 33 percent in the Ministry of Lands.

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Annex 2 for detailed information on contributions from development partners.

**Table 2.2. Financing of HIV/AIDS Programmes in the GOT according to Sector (Tsh)**

Sector	FY2001/02*			FY2002/03**		
	Development Partners	GOT	Total	Development Partners	GOT	Total
Priority Ministries	7,478,055,764	2,124,675,056	9,602,730,820	12,239,056,250	6,691,537,321	18,930,593,571
<i>Prison Service</i>		5,151,360	5,151,360		n/a	n/a
<i>Prime Minister's Office/ TACAIDS</i>	1,152,217,800	2,562,791	1,154,780,591	6,063,418,265	4,484,600,000	10,548,018,265
<i>Ministry of Education and Culture</i>		505,870,386	505,870,386		587,661,321	587,661,321
<i>Ministry of Works</i>		39,866,800	39,866,800		n/a	n/a
<i>Ministry of Lands</i>		7,395,000	7,395,000		5,000,000	5,000,000
<i>Ministry of Water and Livestock</i>		4,877,320	4,877,320		23,000,000	23,000,000
<i>Ministry of Health</i>	6,325,837,964	1,511,962,600	7,837,800,564	6,175,637,985	1,567,676,000	7,743,313,985
<i>PO-RALG</i>		46,988,800	46,988,800		23,600,000	23,600,000
<i>Ministry of Agriculture &amp; Food Security</i>		n/a	n/a		n/a	n/a
Other Ministries	93,000,000	170,887,409	263,887,409	100,657,638	259,438,450	360,096,088
Regions	88,765,000	n/a	88,765,000	94,160,276	2,417,100	96,577,376
Districts	1,449,900,000	n/a	1,449,900,000	2,259,237,872	298,301,700	2,557,539,572
<b>TOTAL</b>	<b>9,109,720,764</b>	<b>2,295,562,466</b>	<b>11,405,283,230</b>	<b>14,693,112,036</b>	<b>7,251,694,571</b>	<b>21,944,806,607</b>

n/a - data not available

\* Expenditure

\*\* Budget Allowance

Sources: IFMS, MOF Accountant General Jan. 21, 2003; 2002 UNAIDS Donor Mapping Study; MOF Aid Flow Database

Overall the financing of HIV/AIDS programmes in the GOT has risen sharply since FY 2001/02. However the rise is due to the increases made by a few sectors, most notably TACAIDS. Most sectors did not increase financing in FY 2002/03 considerably beyond expenditure levels in FY 2001/02. This situation indicates that some progress has been achieved in mainstreaming of HIV/AIDS planning across sectors, but there is considerably more work to be done.

**Figure 2.1. Distribution of Total HIV/AIDS Funds according to Sector  
FY2001/02 (Expenditure) and FY 2002/03 (Budget Allowance)  
Percent**

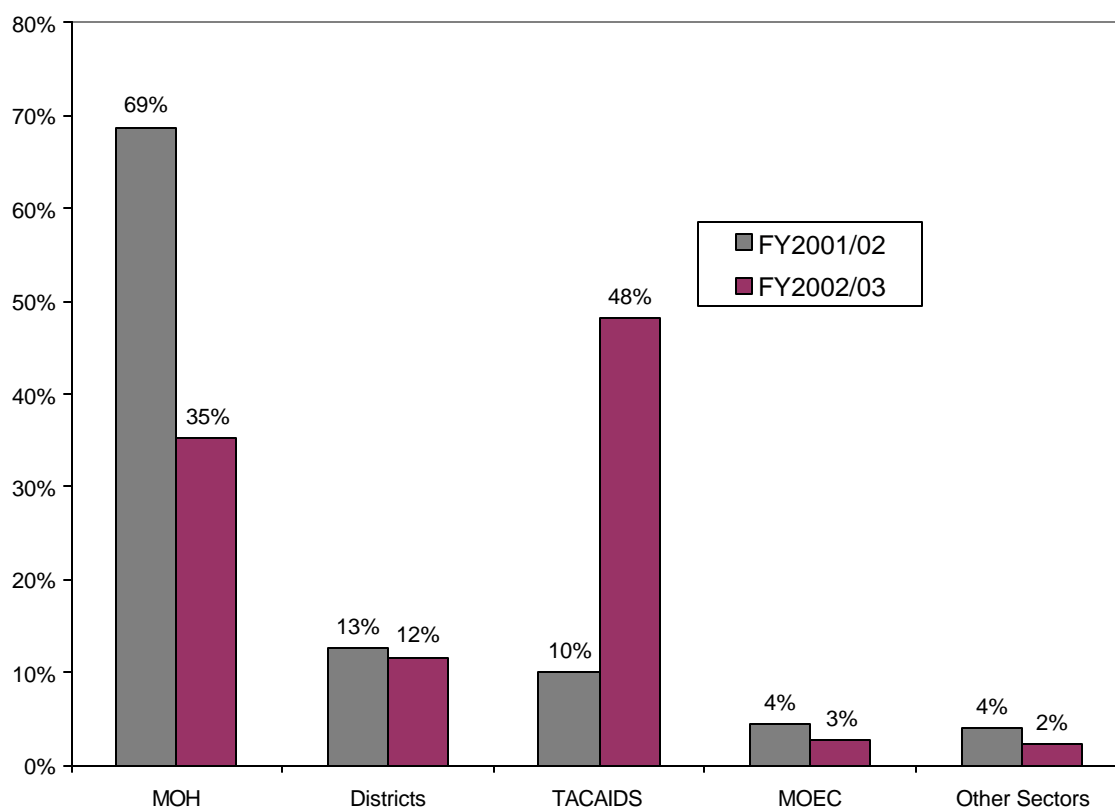


Table 2.3 presents information on budget allowance, funds released and expenditure on HIV/AIDS programmes in the GOT for FY 2001/02 and FY 2002/03. The figures do not include funds from development partners. Funds released and expenditure in FY 2002/03 are half-year quotes as the fiscal year ends in June 2003. The information presented was provided by the office of the Accountant General and is based on data obtained from the Integrated Financial Management System (IFMS) as of January 21, 2003.

**Table 2.3. Budget Allowance, Funds Released and Expenditure for HIV/AIDS in the GOT (Tsh)**

Sector	FY2001/02			FY2002/03		
	Budget Allowance	Funds Released	Expenditure	Budget Allowance	Funds Released	Expenditure
<i>Priority Ministries</i>						
Prison Service	10,000,000	5,156,000	5,151,360	0	0	0
Prime Minister's Office/ TACAIDS	345,978,100	2,562,791	2,562,791	4,484,600,000	2,450,368,017	847,421,385
Ministry of Education and Culture	569,054,800	569,054,800	505,870,386	587,661,321	174,098,402	76,643,239
Ministry of Works	39,866,800	39,866,800	39,866,800	0	0	0
Ministry of Lands	7,395,000	7,395,000	7,395,000	5,000,000	2,189,220	1,420,000
Ministry of Water and Livestock	4,931,400	4,931,400	4,877,320	23,000,000	1,100,000	1,052,205
Ministry of Health	1,511,962,600	1,511,962,600	1,511,962,600	1,567,676,000	898,313,412	674,431,740
PO-RALG	65,741,400	47,061,402	46,988,800	23,600,000	0	0
Ministry of Agriculture & Food Security	0	0	0	0	0	0
<i>Sub-total</i>	<i>2,554,930,100</i>	<i>2,187,990,793</i>	<i>2,124,675,056</i>	<i>6,691,537,321</i>	<i>3,526,069,051</i>	<i>1,600,968,569</i>
<i>Other Ministries</i>						
Accountant General's Department	0	0	0	30,000,000	22,000,000	11,569,500
Civil Service Department	752,600	752,600	752,600	0	0	0
Ministry of Foreign Affairs	4,773,300	0	0	5,067,400	0	0
Ministry of Justice	21,827,100	0	0	0	0	0
Ministry of Industries and Trade	32,000,000	31,771,871	31,771,871	32,000,000	571,000	571,000
Ministry of Finance	22,794,600	12,668,960	12,668,930	45,500,000	22,000,000	11,569,500
Ministry of Community Development	47,041,500	47,041,500	47,041,500	48,000,000	16,460,364	9,366,330
Ministry of Communications and Transport	7,103,300	0	0	21,662,050	0	0
Ministry of Labour, Youth Development & Sports	29,893,000	0	0	28,218,000	8,065,000	4,680,000
President's Office – Planning Commission	69,486,900	52,616,139	52,616,139	36,287,000	0	0
Ministry of Science, Technology & Higher Ed.	29,209,200	29,209,200	26,036,369	12,704,000	0	0
Ministry of Tourism & Natural Resources	6,901,000	0	0	0	0	0
<i>Sub-total</i>	<i>271,782,500</i>	<i>174,060,270</i>	<i>170,887,409</i>	<i>259,438,450</i>	<i>69,096,364</i>	<i>37,756,330</i>
Regions	-	-	-	2,417,100	-	-
Local Government	-	-	-	298,301,700	-	-
<b>TOTAL</b>	<b>2,826,712,600</b>	<b>2,362,051,063</b>	<b>2,295,562,466</b>	<b>7,251,694,571</b>	<b>3,595,165,415</b>	<b>1,638,724,899</b>
<b>Percent of Budget Allowance</b>			<b>81%</b>			<b>23%</b>

Source: IFMS, MOF Accountant General, Jan. 21, 2003

The table shows that 81 percent of the budget allowance was spent in FY 2001/02. However only 23 percent of the budget allowance was spent halfway through FY 2002/03. One would expect that around 50 percent of the budget allowance would be spent by mid-year. The low expenditure rate indicates that some sectors are experiencing difficulties in spending the budget allowance. This raises the possibility that some sectors are not prepared to absorb the budgets that they have been allocated.

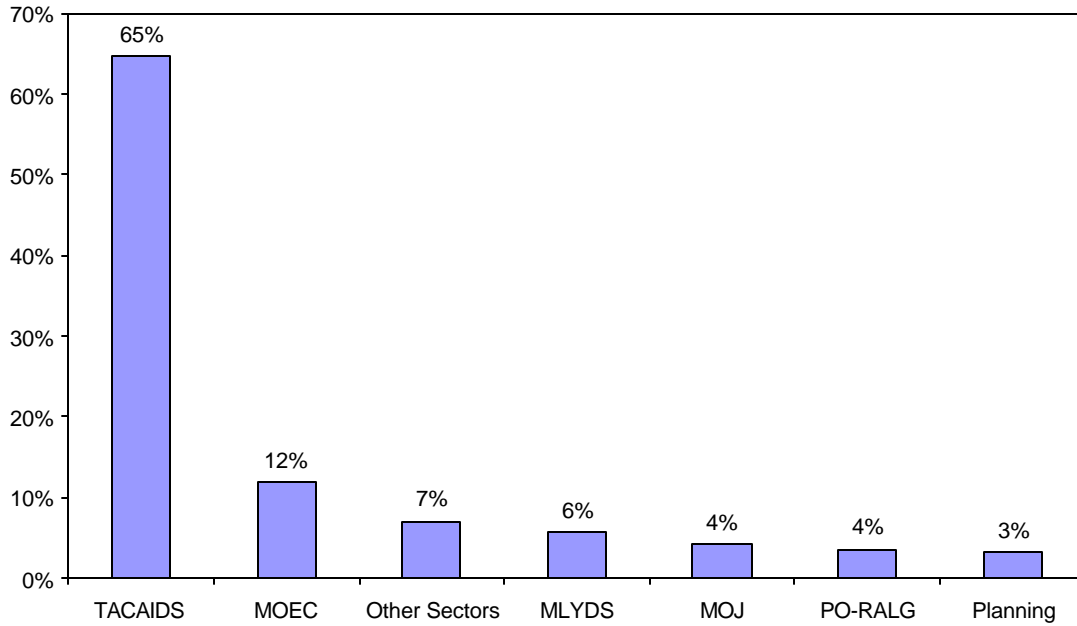
The table also shows many empty cells for a number of sectors. Representatives of the office of the Accountant General, which compiled this table, believe that the cells are empty for two reasons: 1) because sectors did not receive a budget allowance for HIV/AIDS programmes; and 2) because budgeted funds were not released. The representatives do not believe that empty cells are the result of problems related to the IFMS. Another possibility for the low expenditure rate and empty cells could be that spending on HIV/AIDS is not properly accounted for in the IFMS. HIV/AIDS Co-ordinators in some sectors believe that the IFMS does not adequately capture HIV/AIDS budget and expenditure.

Figures 2.2 and 2.3 show that TACAIDS is responsible for most (65 %) of what is unspent of the HIV/AIDS budget allowance in both FY 2001/02 and FY 2002/03. Moreover, 99 percent of the TACAIDS budget allowance was unspent FY 2001/02, and 81 percent remains unspent in FY 2002/03.<sup>6</sup> These figures indicate that TACAIDS does not have the capacity to absorb the considerable increase in funding that it has received from the GOT and development partners. One wonders if the unspent portion of the budget allowance to TACAIDS could have been put to better use if allocated to another sector.

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<sup>6</sup> See Annex 3 for detailed information on the unspent share of budget allowance according to GOT sector.

**Figure 2.2 Distribution of Total Unspent HIV/AIDS Budget Allowance  
 FY2001/02 (Percent)**



**Figure 2.3. Distribution of Total Unspent HIV/AIDS Budget  
 Allowance  
 FY 2002/03 (Percent)  
 Through January 21, 2003**

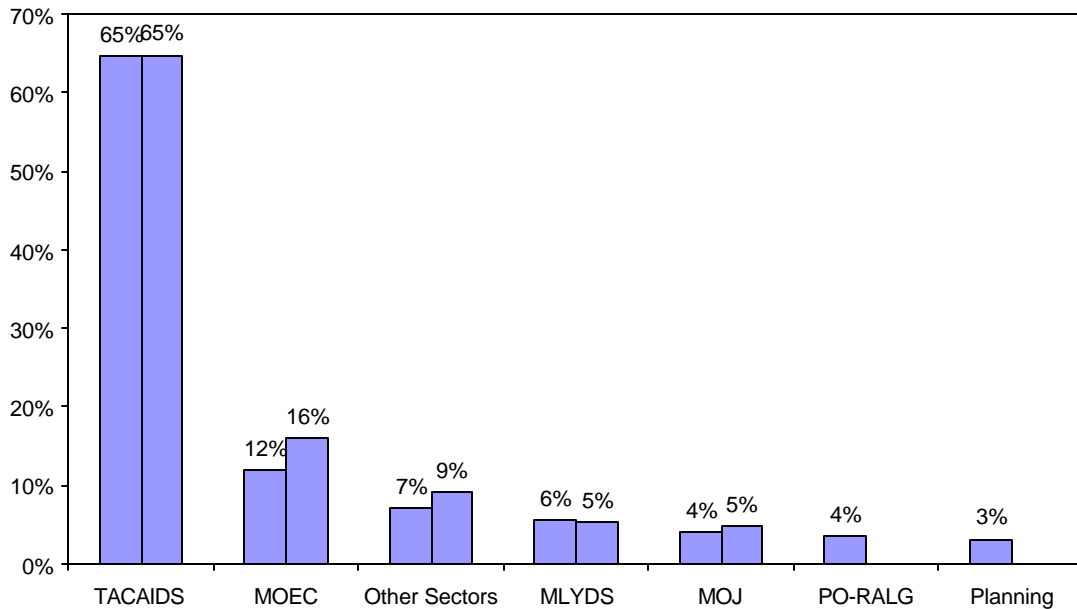


Table 2.4 presents information on differing budget allowance estimates between selected priority ministries and the IFMS for FY 2002/03.<sup>7</sup> The data presented in column 2 are based on responses to the HIV PER Sector Questionnaire, the 2002/03 MOEC MTEF and the draft report of the 2003 Health Sector PER Update.<sup>8</sup> The data presented in column 3 are from the IFMS.

**Table 2.4. Financing HIV/AIDS: What Priority Ministries Report vs. What the IFMS Reports (Tsh)**

(Based on limited available information)

\* Sources: 2003 HIV PER Sector Questionnaire, 2002/03 MOEC MTEF, 2003 Draft Health Sector PER Update

\*\* Source: IFMS, MOH Accountant General, Jan. 21, 2003

Priority Ministries	FY2002/03 Budget Allowance		Difference	
	Sector Request*	IFMS Reporting**	Amount	%
Ministry of Education and Culture	997,000,000	587,661,321	409,338,679	41%
Ministry of Works	368,313,800	0	368,313,800	100%
Ministry of Lands	237,000,000	5,000,000	232,000,000	98%
Ministry of Health	3,962,545,000	1,567,676,000	2,394,869,000	60%
POSAC	23,600,000	23,600,000	0	0%
<b>Total</b>	<b>5,588,458,800</b>	<b>2,206,937,321</b>	<b>3,381,521,479</b>	<b>61%</b>

The table shows that four of the five ministries report a considerably higher budget for HIV/AIDS than what is recorded by the IFMS. The IFMS under-reports the MOH budget request by 60 percent and the MOEC budget by 41 percent. Moreover the IFMS does not report any budget allowance for the Ministry of Works, which states that it requested a budget of almost 370 million TSH. The apparent discrepancy between the ministries and the IFMS indicates that a sizeable amount of expenditure on HIV/AIDS goes un-recorded by the IFMS in many sectors. This gap in reporting may undermine efforts to accurately measure the multi-sectoral response to HIV/AIDS, specifically the total amount budgeted and spent on HIV/AIDS, how funds are spent and by which sector. In addition the under-estimates could affect how budget ceilings are determined.

<sup>7</sup> Information for FY2001/02 is not presented due to lack of available data from priority ministries.

<sup>8</sup> As of January 24, 2003 only three ministries responded to the HIV PER Sector Questionnaire.



### 3. TRACKING FINANCIAL FLOWS

This section presents information that addresses Objective B: to assess the feasibility of improving the tracking HIV/AIDS-related financial flows across all sectors.

**The existing system for tracking HIV/AIDS-related financial flows needs to provide more comprehensive and detailed information in order to be effective in monitoring HIV/AIDS budgets and expenditure across sectors.**

#### Problem

As it is presently configured the IFMS provides insufficient information for a complete and detailed analysis of HIV/AIDS budget and expenditure patterns. The lack of detail is because HIV/AIDS programmes are not coded in the IFMS as an upper-level classification. Instead HIV/AIDS programmes are typically classified at lower levels as items or sub-items.

This low-level classification presents three problems for analysts. First, it is difficult to identify all HIV/AIDS expenditure. Some HIV/AIDS expenditure is excluded from the IFMS because it is not identified as HIV/AIDS-related. This situation is common where HIV/AIDS activities are a small part of a budget that includes considerably more non-HIV/AIDS activities. Second, HIV/AIDS is frequently classified at the sub-item level, thus no detail on the nature of HIV/AIDS expenditure can readily be obtained. Sub-items are one-level codes and cannot be expanded to provide more detailed classification. Moreover, there is no flexibility in the IFMS to extend the classification system beyond the sub-item level. Third, the existing classification system does not link HIV/AIDS expenditure to the strategic objectives of the NMSF. Linkage among HIV/AIDS expenditure and the strategic objectives is essential for effective monitoring and evaluation of the implementation of the NMSF.

The box below provides an example from the MOH of how the lower-level coding of an HIV/AIDS programme leads to problems in analysing HIV/AIDS expenditure.

In the budgets and expenditure reports of the MOH the sub-item 260409 "HIV/AIDS Epidemic" falls under the Item code 2604 Medical supplies and services. This is a somewhat misleading code for HIV/AIDS related activities within the MOH. All other sub-items relate to actual drugs or supplies whereas review of the relevant activities within the MOH Detailed Cash Flow reveals that they include workshops, short courses, printing, computers, drugs etc, all of which have their own sub-item codes. This leads to a) inconsistency in the manner in which HIV/AIDS related spending is budgeted and reported in two different departments of the same ministry, and b) lack of clarity in exactly how the funds identified as sub-item 260409 have been spent (i.e. the extent to which they have gone on essential inputs such as drugs and supplies compared with, for example, staff allowances and travel. *(From the 2003 Draft Health Sector PER Update)*).

### Recommendation

As HIV/AIDS is a top priority, it should be highlighted in the IFMS to reflect its growing importance. Analysts need to rapidly access financial information on HIV/AIDS that is comprehensive, detailed, timely and linked to the strategic objectives of the NMSF. Such information would become available once the classification of HIV/AIDS is upgraded in the IFMS. This upgrade would provide the flexibility to understand HIV/AIDS expenditure in ways that are useful to analysts. For example information could be obtained on HIV/AIDS expenditure according to sector, funding source, strategic objective and line item.

The upgrading of HIV/AIDS is a two-step process. First, the work plans and budgets for HIV/AIDS activities in the sector MTEFs must be linked with the strategic objectives of the NMSF. Box 3.1 presents a hypothetical example of how HIV/AIDS programmes in the MOEC MTEF 2002/03 might link to the strategic objectives of the NMSF. The example in Box 3.1 is illustrative and not intended to propose an actual re-configuration the HIV/AIDS programmes in the MOEC.

**Box 3.1. Linking HIV/AIDS Programmes to the Strategic Objectives of the NMSF**  
 Second, the coding of HIV/AIDS and key sub-components (e.g. funding sources, strategic objectives and line items) must be integrated into the classification structure of the IFMS. (Example is not intended to propose an actual re-configuration of HIV/AIDS Programme in the MOEC) Three approaches are available. HIV/AIDS programmes can be coded at the level of A) sub-vote, B) activity or C) sub-heading. Boxes 2a-c present a hypothetical example of how the classification of an existing MOH HIV/AIDS programme can be reconfigured according to each approach. These examples illustrate the considerable amount of detail that such re-  
 \* Recommendations can provide.  
 culture in war against poverty & HIV/AIDS  
 \* Programmes to sensitise public through art on poverty & HIV/AIDS  
 \* Facilitation of HIV/AIDS control in schools and colleges  
 \* Training in guidance counselling in HIV/AIDS  
 Source: 2002/03 MTEF, MOEC

NMSF Code*	Objective
01	Advocacy
02	Fighting Stigma and Discrimination
03	District and Community Response
04	Mainstreaming HIV/AIDS
05	HIV/AIDS & Poverty Reduction Policies
06	STI Control and Case Management
07	Condom Promotion and Distribution
08	Voluntary HIV Counselling and Testing
09	Prevention of Mother to Child Transmission
10	Health Promotion for Population Groups
11	School-based Prevention
12	Special Vulnerable Population Groups
13	Workplace Interventions
14	Safety of Blood
15	Treatment of Opportunistic Infections
16	Home/Community-based Care and Support
17	Support for Persons affected by HIV/AIDS
18	Support to Orphans

<sup>9</sup> Boxes 3.2.a-c do not represent an actual re-configuration of the HIV/AIDS programme in the MOH.

**Box 3.2.a. Proposed Classification of HIV/AIDS in the IFMS – HIV/AIDS Coded at Sub-vote Level**

1) 1) Actual IFMS Classification of an HIV/AIDS Programme in MOH

	<b>Vote</b>	<b>Sub-vote</b>	<b>Funding Source</b>	<b>Activity</b>	<b>Sub-head</b>	<b>Item</b>	<b>Sub-item</b>	<b>Amount (Tsh)</b>
<b>Code:</b>	52	3001	000000	000000-0000	26	04	09	<u>1,511,962,600</u>
<b>Description:</b>	MOH	Preventive Services	Recurrent Funds	Activity Code	Goods & Services	Med. Supplies & Services	HIV/AIDS	

2) 2) Classification of same HIV/AIDS Programme under Proposed Coding Scheme

	<b>Vote</b>	<b>HIV/AIDS Sub-vote</b>	<b>Funding Source</b>	<b>Activity</b>	<b>Sub-head</b>	<b>Item</b>	<b>Sub-item</b>	<b>Amount (Tsh)</b>
<b>Code:</b>	52	<b>9999</b>	000000	000000-0000	<b>06</b>	04	02	500,000,000
<b>Description:</b>	MOH	<b>HIV/AIDS</b>	Recurrent Funds	Activity Code	<b>NMSF Objective STI Control</b>	Med. Supplies & Services	Drugs & Medicines	
					<b>08</b>	08	01	300,000,000
					<b>NMSF Objective VCT</b>	Training	Board & Lodging	
							2	02 50,000,000
							Training Materials	
							3	03 25,000,000
							Fees	
						03	11	250,000,000
						Allowances	Perdiem	
					<b>09</b>	04	02	386,962,600
					<b>NMSF Objective PMCT</b>	Med. Supplies & Services	Drugs & Medicines	

**Box 3.2.b. Proposed Classification of HIV/AIDS in the IFMS – HIV/AIDS Coded at Activity Level**

1) 3) Actual IFMS Classification of an HIV/AIDS Programme in MOH

	Vote	Sub-vote	Funding Source	Activity	Sub-head	Item	Sub-item	Amount (Tsh)
<b>Code:</b>	52	3001	000000	000000-0000	26	04	09	<u>1,511,962,600</u>
<b>Description:</b>	MOH	Preventive Services	Recurrent Funds	Activity Code	Goods & Services	Med. Supplies & Services	HIV/AIDS	

2) 4) Classification of same HIV/AIDS Programme under Proposed Coding Scheme

	Vote	Sub-vote	Funding Source	NMSF Objective	Activity	Sub-head	Item	Sub-item	Amount (Tsh)
<b>Code:</b>	52	3001	000000	<b>06</b>	0000-0000	26	04	02	500,000,000
<b>Description:</b>	MOH	Preventive Services	Recurrent Funds	<b>STI Control</b>		Goods & Services	Med. Supplies & Services	Drugs & Medicines	
				<b>08</b>	0000-0000	26	08	01	300,000,000
				<b>VCT</b>		Goods & Services	Training	Board & Lodging	
								02	50,000,000
								Training Materials	
								3 03	25,000,000
								Fees	
						25	03	11	250,000,000
						Personal Emoluments	Allowances	Perdiem	
				<b>09</b>	0000-0000	26	04	02	386,962,600
				<b>PMCT</b>		Goods & Services	Med. Supplies & Services	Drugs & Medicines	
								<b>Total</b>	<u>1,511,962,600</u>

**Box 3.2.c. Proposed Classification of HIV/AIDS in the IFMS – HIV/AIDS Coded at Sub-heading Level**

1) 5) Actual IFMS Classification of an HIV/AIDS Programme in MOH

	<b>Vote</b>	<b>Sub-vote</b>	<b>Funding Source</b>	<b>Activity</b>	<b>Sub-head</b>	<b>Item</b>	<b>Sub-item</b>	<b>Amount (Tsh)</b>
<b>Code:</b>	52	3001	000000	000000-0000	26	04	09	<u>1,511,962,600</u>
<b>Description:</b>	MOH	Preventive Services	Recurrent Funds	Activity Code	Goods & Services	Med. Supplies & Services	HIV/AIDS	

2) 6) Classification of same HIV/AIDS Programme under Proposed Coding Scheme

	<b>Vote</b>	<b>Sub-vote</b>	<b>Funding Source</b>	<b>Activity</b>	<b>Sub-head</b>	<b>Item</b>	<b>Sub-item</b>	<b>Amount (Tsh)</b>
<b>Code:</b>	52	3001	000000	000000-0000	<b>99</b>	<b>06</b>	02	500,000,000
<b>Description:</b>	MOH	Preventive Services	Recurrent Funds	Activity Code	<b>HIV/AIDS</b>	<b>NMSF Objective STI Control</b>	Drugs & Medicines	
						<b>08</b>	01	300,000,000
						<b>NMSF Objective VCT</b>	Board & Lodging	
							02	50,000,000
							Training Materials	
							03	25,000,000
							Fees	
							11	250,000,000
							Perdiem	
						<b>09</b>	02	386,962,600
						<b>NMSF Objective PMCT</b>	Drugs & Medicines	
							<b>Total</b>	<u>1,511,962,600</u>

Each approach has distinct benefits and drawbacks. Table 3.1 highlights the most important of these for each approach. Based on the factors presented in Table 3.1 Approach B is the most desirable. However it is essential to determine that the activity code string is fully applicable in the IFMS for all sectors.

**Table 3.1. The Benefits and Drawbacks of Alternative HIV/AIDS Coding Approaches in the IFMS**

<b>Approach HIV/AIDS Coded As:</b>	<b>Benefits</b>	<b>Drawbacks</b>
A. Sub-vote	Allows for <u>highest degree of flexibility</u> to classify sub-components  Creates a high profile for HIV/AIDS in IFMS and sector budgets	<u>Difficult</u> for ministry and department budget officers to implement  Could create <u>confusion</u> among budget officials
B. Activity	Allows for <u>sufficient flexibility</u> to classify key sub-components without altering classification structure	Activity code <u>may not be reported</u> in IFMS for all sectors
C. Sub-heading	Very <u>simple</u> to integrate into IFMS	Allows for <u>limited classification</u> of sub-components – only strategic objective and line item  Alters classification structure at lower levels

### Benefits

Upgrading HIV/AIDS in the IFMS would considerably enhance the GOT's capacity to allocate resources efficiently in the fight against HIV/AIDS. Specifically the proposed re-classification could be used to:

- link HIV/AIDS activities in the MTEF to the NMSF objectives, thus providing information in the monitoring of the execution of the NMSF;
- measure progress on Goal 3 of the NMSF: *Ensuring that Political and government leaders consistently give high visibility to HIV/AIDS in their proceedings and public appearances;*

- monitor progress in the mainstreaming of HIV/AIDS among sectors (Sectors not making progress in mainstreaming HIV/AIDS programs into their work plans could be identified easily);
- produce regular and consistent multi-sectoral HIV PER updates, which are mandated annually by the NMSF;
- rapidly obtain detailed information on recent HIV/AIDS expenditure;
- enhance the profile of HIV/AIDS among the sectors and increase the likelihood that sectors will put appropriate effort in HIV/AIDS work plans and budgets; and
- link expenditure on HIV/AIDS to the output (e.g. number of VCT counsellors trained) and outcome (e.g. change in knowledge of HIV/AIDS) indicators highlighted in the NMSF and PRS documents. This would be useful in cost-effectiveness and cost-benefit analyses.

#### Next Steps

The responsibility for proposing a new classification to the MOF for HIV/AIDS lies with TACAIDS. The Budget Commissioner of the MOF has agreed to comment on preliminary drafts of the proposal. It is recommended that TACAIDS submit its proposal to the Budget Commissioner's office in time for the finalisation of the FY 2003/04 budget guidelines. If this is not feasible then TACAIDS should consider distributing a supplement to the guidelines as soon as possible. Given the limited capacity of TACAIDS to execute its financial management duties in 2003, it may be necessary to hire an external consultant to draft the new classification system.



## **1. BUDGET GUIDELINES**

This section presents information that addresses Objective C: to recommend ways to improve the draft narrative section in the National Budget Guidelines for FY 2003/04 so that sectors give adequate weight to HIV/AIDS in their work plans and budgets.

**The National Budget Guidelines need to provide more detailed guidance on planning and budgeting for HIV/AIDS programmes.**

### Problem

The guidelines for the FY 2003/04 budget provide insufficient guidance to sectors in planning and budgeting for HIV/AIDS programmes. First, the narrative section makes only a general reference to the importance of HIV/AIDS and that each sector should plan for HIV/AIDS activities in its budget. Moreover, there is no guidance on what specific activities sectors should be engaged in.

Second, the recommended budget ceilings for HIV/AIDS proposed in the guidelines are of little use to sector planners. The ceilings are not organised according to sector, which would be useful in indicating an appropriate sector budget. Instead the ceilings are organised according to priority area, which is based on an out-dated classification since the introduction of the NMSF strategic objectives. Thus, sectors with little or no experience in HIV/AIDS programming cannot determine from the guidelines which activities should be programmed, to what scale and how much should be budgeted.

Third, the budget ceilings do not indicate appropriate requirements for HIV/AIDS. The FY 2003/04 Budget Guidelines mentions 42.6 billion TSH. Whilst this represents a large increase on previous years, it is clear that there remains scope for greater expenditure on this priority

area. In addition, there is no mention of foreign financing available to sectors. Development partners intend to provide an average of 40 billion TSH to the GOT over the next three years. These omissions undermine efforts to encourage sectors to adequately increase the scope and scale of HIV/AIDS activities.

### Recommendations

There is clearly a need for more detailed guidance in the Budget Guidelines for HIV/AIDS programming and budgeting. First, the guidelines should identify types of HIV/AIDS activities that are appropriate for each sector. The suggested activities also should be linked to the objectives of the NMSF. Furthermore the activities should identify targets of outputs to be produced by each activity as well outcomes to be expected. Second, the guidelines should emphasise the importance of HIV/AIDS programming and that it is to be a normal part of sector activity. Third, the guidelines should indicate realistic funding requirements and inform sectors of the amount of funds available for HIV/AIDS.

The responsibility for providing this guidance rests squarely on the shoulders of TACAIDS. First, TACAIDS should prepare a clear set of guidelines on HIV/AIDS programming and budgeting for ministries and LGAs. These guidelines would supplement the budget guidelines and include the components listed above. TACAIDS should work in close association with the Budget Commissioner in developing the supplemental guidelines. If necessary a consultant should be hired to assist TACAIDS with the drafting of the guidelines and to co-ordinate with the Budget Commissioner.

The budget guidelines on HIV/AIDS should include the following:

- rationale for including HIV/AIDS work plans into sector budgets;
- comprehensive list of NMSF objectives and activities to be conducted;
- suggested activities for each sector mapped to NMSF objectives including funding requirements and estimated unit costs;

- realistic output and outcome targets for each activity; and
- list of sector HIV/AIDS Co-ordinators and contact information.

Second, TACAIDS should hold a two-day workshop for sector HIV/AIDS Co-ordinators and Budget Officials to introduce the guidelines and to develop work plans for the upcoming budget round. Third, TACAIDS should follow-up this workshop with one-on-one consultations with those sectors needing assistance in developing HIV/AIDS work plans. These sectors would be identified during the workshop.

## **2. CAPACITY ASSESSMENT**

This section presents information that addresses Objective D: to assess the capacity of key sectors to formulate effective plans and budgets for their distinctive contribution to the multi-sectoral response and to recommend ways to build this capacity in the short (FY 2003/4 budget round) and medium term so that HIV/AIDS is more adequately reflected in budget submissions.

### 5.1 TACAIDS

**In developing its strategic work plan for FY 2003/04, TACAIDS should focus intently on the resource needs of the Department of Finance, Administration and Resource Mobilization, which is responsible for implementing a number of financial management systems.**

#### Problem

TACAIDS is concerned that it does not have the capacity to effectively manage its financial responsibilities in FY 2003/04. According to the Tanzania Commission for AIDS Act, 2001, TACAIDS is mandated to:

- mobilize, disburse and monitor resources and ensure equitable distribution;

- develop a strategic framework and national guidelines to support planning, co-ordination and implementation of the national multi-sectoral response to HIV/AIDS at all levels;
- develop and facilitate implementation of the national multi-sectoral strategy for mobilization and utilization of resources for HIV/AIDS.

The responsibility for executing these duties rests squarely with the Department of District Community Response, Planning, Policy and National Response, and the Department of Finance, Administration and Resource Mobilization in TACAIDS. Presently these departments do not have adequate staffing. It is not clear at this time how many more staff will be hired.

In FY 2003/04 the scope of work for both departments will expand considerably. Some major responsibilities include:

- a) Mobilizing line ministries and local government authorities to mainstream HIV/AIDS in work plans and budgets.
- b) Adjusting the IFMS classification to improve the capacity to track HIV/AIDS finance flows.
- c) Developing a supplement to the National Budget Guidelines that provides detailed guidance to sectors in HIV/AIDS planning and costing.
- d) Providing one-on-one technical guidance to sectors in HIV/AIDS planning and budgeting.
- e) Monitoring the flow of all funds for HIV/AIDS in Tanzania, including contributions from the GOT, development partners, and NGOs. In FY 2003/04 contributions from development partners is expected to be 58 billion TSH, a six-fold increase from 2002/03. The lion's share of the increase will come from the Global Fund for HIV/AIDS, TB and Malaria and from the TMAP grants.<sup>10</sup> Included in the terms of the TMAP, TACAIDS will be responsible for recording where funds are disbursed (e.g.

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<sup>10</sup> Tanzania Multi-sectoral HIV/AIDS Project. The TMAP comprises three grants from the World Bank of US\$70 million between 2003 – 2006.

line ministries, LGAs, NGOs) and how they are spent (e.g. strategic objectives, line items).<sup>11</sup>

### Recommendations

In January and February 2003 TACAIDS will prepare a strategic work plan. In March TACAIDS, in co-laboration with the World Bank, will conduct a detailed assessment of its capacity to manage its financial responsibilities. (A checklist of topics that will be covered in the assessment is in Annex 8). This assessment will be conducted under the terms of the TMAP agreement.

In developing its strategic work plan for FY 2003/04, TACAIDS should focus intently on labour resources needed to execute the activities listed above. It is clear that additional financial planners will be necessary to meet these responsibilities. External technical assistance could be useful in meeting some of the responsibilities, in particular b, c and d.

In addition TACAIDS should foster stronger ties to key institutions involved in the HIV/AIDS planning and financing process. The most crucial ties are with the offices of the Budget Commissioner in the MOF and with PO-RALG. TACAIDS needs strong ties to these institutions to ensure the smooth transfer of complete, detailed and timely financial information.

### 5.2 Other Sectors

An assessment of the financial management capacity of sectors has not yet been made as responses to the Multi-sectoral HIV/AIDS PER Questionnaire were not completed by sectors in time for this draft.

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<sup>11</sup> For more information on the TMAP and the roles and responsibilities of TACAIDS see "THE TANZANIA MULTI SECTORAL HIV/AIDS PROJECT (TMAP) THE FINANCIAL MANAGEMENT MANUAL", The World Bank.

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**4. ANNEXES****Annex 1:****Detailed Table of GOT Budget and Expenditure for HIV/AIDS Programmes**

## MINISTRY OF FINANCE ACCOUNTANT GENERAL'S DEPARTMENT

## FUNDS ALLOCATED FOR HIV/AIDS REPORTS AS AT 21st JAN. 2003.

VOTE	MINISTRIES/DEPARTMENTS	ESTIMATE 2001/2002	FUNDS RELEASED 2001/2002	EXP. 2001/2002	ESTIMATE 2002/2003	FUNDS RELEASED 2002/2003	EXP. 2002/2003
29	Prison Service	10,000,000	5,156,000	5,151,360	0	0	0
32	Civil Service Department	752,600	752,600	752,600	0	0	0
34	Ministry of Foreign Affairs and International Cooperation	4,773,300	0	0	5,067,400	0	0
37	Prime Minister's Office	345,978,100	2,562,791	2,562,791	4,484,600,000	2,450,368,017	847,421,385
41	Ministry of Justice	21,827,100	0	0	0	0	0
44	Ministry of Industries and Trade	32,000,000	31,771,871	31,771,871	32,000,000	571,000	571,000
46	Ministry of Education	569,054,800	569,054,800	505,870,386	587,661,321	174,098,402	76,643,239
47	Ministry of Works	39,866,800	39,866,800	39,866,800	0	0	0
48	Ministry of Lands & Human Settlements Dev	7,395,000	7,395,000	7,395,000	5,000,000	2,189,220	1,420,000
49	Ministry of Water and Livestock	4,931,400	4,931,400	4,877,320	23,000,000	1,100,000	1,052,205
50	Ministry of Finance	22,794,600	12,668,960	12,668,930	45,500,000	22,000,000	11,569,500
52	Ministry of Health	1,511,962,600	1,511,962,600	1,511,962,600	1,567,676,000	898,313,412	674,431,740
53	Ministry of Community dev	47,041,500	47,041,500	47,041,500	48,000,000	16,460,364	9,366,330
56	President's Office -Regional Admin. And Local/Gov	65,741,400	47,061,402	46,988,800	23,600,000	0	0
62	Ministry of Communications and Transport	7,103,300	0	0	21,662,050	0	0
65	Ministry of Labour, Youth Development and sports	29,893,000	0	0	28,218,000	8,065,000	4,680,000
66	President's Office -Planning Commission	69,486,900	52,616,139	52,616,139	36,287,000	0	0
68	Ministry of Science Tech & Higher Education	29,209,200	29,209,200	26,036,369	12,704,000	0	0
23	Accountant General's Department	0	0	0	30,000,000	22,000,000	11,569,500
69	Ministry of Tourism & Natural Resources	6,901,000	0	0	0	0	0
	<b>Total Ministries</b>	<b>2,826,712,600</b>	<b>2,362,051,063</b>	<b>2,295,562,466</b>	<b>6,950,975,771</b>	<b>3,595,165,415</b>	<b>1,638,724,899</b>
	<b>Regions</b>						
84	Singida	0	0	0	400,000	0	0
89	Rukwa	0	0	0	2,017,100	0	0
	<b>Total Regions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,417,100</b>	<b>0</b>	<b>0</b>
70,89,95	Local Government	0	0	0	298,301,700	0	0
	<b>TOTAL ESTIMATES</b>	<b>2,826,712,600</b>	<b>2,362,051,063</b>	<b>2,295,562,466</b>	<b>7,251,694,571</b>	<b>3,595,165,415</b>	<b>1,638,724,899</b>

**Annex 2:  
 Detailed Table on Development Partner Support**

Donor	Name of Project	M/O/S/D	2001/2002	2002/2003	2003/2004	2004/2005	2005/06
			Disbursements	Commitments	Projections	Projections	Projections**
HERLANDS	TANESA II and TACAIDS	MOH/TACAID	1,800,067,088	2,057,498,134	2,225,218,361	1,173,066,472	
RWAY	National AIDS Control Programme	MOH/TACAIDS	980,000,000	1,136,370,223	1,272,000,000	1,592,000,000	1,992,000,000
RWAY	Study HIV - Orphans	ESAUROP					
Donor	HIV/AIDS Initiative	M/S/D	2001/2002	2002/2003	2003/2004	2004/2005	2005/06
EDEN	HIV/AIDS (via AMREF)	NGO		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
EDEN	HIV/AIDS Fund (via NGOs)	NGO		694,604,888	2,691,208,961	3,368,242,661	4,214,534,700
JP	Abon Laboratories Initiative	M/S/D	93,000,000	100,657,638	103,617,336	-	-
JM	Aids awareness and prevention	TACAIDS	34,200,000	181,365,160	163,500,000	900,900,000	673,000,000
JP	HIV/AIDS awareness creation in primary schools in	MOH		120,797,500	-	-	-
JM	DSM and rural pilot districts	DISTRICT	177,300,000	181,965,160	436,000,000	311,850,000	134,600,000
JP	Support to the National Aids Control Programme in	TACAIDS	315,000,000	1,055,000	105,791,809	-	-
CAF	Rural and Personal Development Care and Security	DISTRICT	1,449,900,000	468,483,700	218,600,000	207,900,000	179,600,000
DAF	TANESA Personal Development Programme and Security	MOH	297,200,000	329,870,000	307,992,067	1,053,491,160	1,110,736,000
CEF	Support to Personal Development Care and Security	NGO	1,422,000,000	870,765,350	1,044,836,520	1,101,611,160	1,161,470,800
ID	AIDS/STI/AIDS Project (Public Sector)	MOH	767,684,700	830,245,846	-	-	-
IANY/GtZ	Aids Control Project/Mbeya Prevent Sciences for Health:	Mbeya	51,400,000	52,685,000			
IANY/GtZ	Aids Control Project/TA Support	MOH/TACAIDS	407,600,000	738,000,000	527,500,000	570,500,000	
IANY/KfW	Health Sector Reform HIV Prevention/ TA support	MOH					
ID	Global Fund for HIV/AIDS Budget Support	MOH/TACAIDS		200,000,000	31,650,000,000		228,200,000
	HIV/AIDS Programme Impact: institutional/TA support	TACAIDS		900,000,000	17,115,000,000	27,669,000,000	27,904,117,441
ND	HIV/AIDS Namakwapa/Vijana	AMREF/AIDS	224,640,000	248,805,775	-	-	-
ND	TACAIDS Fund (Communications Campaign: TACAIDS)	Healthscope			872,000,000	1,108,800,000	
ND	TACAIDS	TACAIDS	147,060,000	163,076,197	381,500,000	554,400,000	
ND	Field support: JSL Deliver (part of US Japan Common	TACAIDS			872,000,000	1,108,800,000	
ID	Agenda support for Logistics management systems)	MOH		1,200,000,000		2,035,000,000	
ID	UNAIDS Vias Project	NGO			263,173,960	273,822,318	
ID	CARE Voluntary Sector Health Program	CARE		2,320,837,000	3,105,000,000	3,544,000,000	
ID	Supranational Aids Programming	NGO			482,120,000	612,959,886	513,321,328
ID	AMREF voluntary counselling and testing	AMREF		1,236,430,000	529,490,000	3,139,945,204	
ID	Italian AIDS Program (M/S/Via Ghanan Africa	VIA			1,084,738,795		
ID	Italian AIDS Program (M/S/Via Ghanan Africa	VIA		115,836,000			
ID	UNAIDS Policy Project support for TAPAC,	WHO			462,237,390		
ID	HIV/AIDS Control in Ngerengere	Morogoro	37,365,000	41,475,276			
ID	HIV/AIDS Network and faith based organizations	TACAIDS		400,000,000	570,500,000	601,500,000	
ID	HIV/AIDS Envelope for HIV/AIDS	MOH	151,200,000	166,499,639	844,000,000		
ID	HIV/AIDS Envelope for HIV/AIDS	MOH		44,955,000	402,000,000	37,740,000	
ID	Social Marketing (MoH/Private Sector)	MOH		1,520,000,000	1,663,000,000	2,262,000,000	
P	HIV/AIDS	TACAIDS	512,857,800	581,123,540	628,494,748	662,646,084	662,646,000
O	HIV/AIDS	MOH	386,116,744	633,000,000	477,312,248	-	
	<b>TOTAL</b>		<b>12,283,360,764</b>	<b>22,192,453,746</b>	<b>77,831,213,933</b>	<b>55,997,288,173</b>	<b>40,158,416,600</b>
	<b>TOTAL GOT</b>		<b>9,109,720,764</b>	<b>14,693,112,036</b>	<b>61,748,851,975</b>	<b>40,515,336,786</b>	<b>34,269,089,700</b>

**Annex 3. Unspent Funds: The Amount and Percent of HIV/AIDS Budget Allowance  
Not Spent according to Sector, FY2001/02 and FY2002/03 (TSH)**

Sector	2001/02		2002/03*	
	Amount Unspent	Percent Unspent	Amount Unspent	Percent Unspent
<i>Priority Ministries</i>				
Prison Service	4,848,640	48%	0	
Prime Minister's Office/ TACAIDS	343,415,309	99%	3,637,178,615	81%
Ministry of Education and Culture	63,184,414	11%	511,018,082	87%
Ministry of Works	0	0%	0	
Ministry of Lands	0	0%	3,580,000	72%
Ministry of Water and Livestock	54,080	1%	21,947,795	95%
Ministry of Health	0		893,244,260	57%
PO-RALG	18,752,600	29%	23,600,000	100%
Ministry of Agriculture & Food Security	0	0%	0	
<i>Sub-total</i>	<i>430,255,044</i>	<i>20%</i>	<i>5,090,568,752</i>	<i>76%</i>
<i>Other Ministries</i>				
Accountant General's Department	0		18,430,500	61%
Civil Service Department	0	0%	0	
Ministry of Foreign Affairs	4,773,300	100%	5,067,400	100%
Ministry of Justice	21,827,100	100%	0	
Ministry of Industries and Trade	228,129	1%	31,429,000	98%
Ministry of Finance	10,125,670	44%	33,930,500	75%
Ministry of Community Development	0	0%	38,633,670	80%
Ministry of Communications and Transport	7,103,300	100%	21,662,050	100%
Ministry of Labour, Youth Development & Sports	29,893,000	100%	23,538,000	83%
President's Office – Planning Commission	16,870,761	24%	36,287,000	100%
Ministry of Science, Technology & Higher Ed.	3,172,831	11%	12,704,000	100%
Ministry of Tourism & Natural Resources	6,901,000	100%	0	
<i>Sub-total</i>	<i>100,895,091</i>	<i>37%</i>	<i>221,682,120</i>	<i>85%</i>
Regional Government	0		2,417,100	100%
Local Government	0		298,301,700	100%
<b>TOTAL</b>	<b>531,150,134</b>	<b>19%</b>	<b>5,612,969,672</b>	<b>77%</b>

\* Through January 21, 2003

Source: IFMS, MOF Accountant General, Jan. 21, 2003

## **Annex 4: Terms of Reference**

### **Terms of Reference for the Update of the Public Expenditure Review for HIV/AIDS**

#### **1. Introduction**

HIV/AIDS stands out as the greatest threat to Tanzania's development. Unless the scourge can be tackled effectively we can expect to witness reversals in life expectancy, infant and maternal mortality. The economic impact will also be severe – through lost productivity, increasing dependency ratio, and the ever-escalating cost (to government and individuals) of care for infected individuals. The impact of HIV on the public sector workforce will strain government's ability to deliver social services. In short, a rapid acceleration of effort to prevent HIV transmission, mitigate its impact and care for those affected must remain a top priority of public policy.

#### **2. Mainstreaming HIV in the budget/planning process: what's the problem**

Translating policy commitment into action will only be possible when budgetary resources are available to execute effective HIV-related programmes across a range of sectors and at different levels of government. Thus high priority HIV interventions should be planned and budgeted under relevant Ministries and Departments as an integral part of the overall planning and budgeting process, and the out-turn of actual spend/implementation against budget/plan needs to be tracked as an integral part of the PER exercise.

It is clear that for the most part, there is insufficient focus on HIV/AIDS that it is not being properly considered in the course of sectoral planning and budgeting. This is for a variety of reasons, including:

- No "additional" funds in the budget ceilings to incorporate HIV-related activities in sectors, particularly those (e.g. Education) where a very significant outlay will be required over and above the "traditional" expenditure patterns of the sector.
- Lack of emphasis on HIV in the narrative section of the budget guidelines
- Lack of awareness/expertise in respective sectors on what their distinctive contribution to a multi-sectoral response should be, hence inability to propose specific, costed, HIV activities
- Lack of central (MOF/TACAIDS) capacity to appraise draft budgets to assure adequate inclusion of HIV-related plans/budgets
- Inability to track, in the aggregate, budgets and out-turns for HIV-related expenditure across multiple sectors and departments.

### 3. HIV/AIDS and the forthcoming PER

In the forthcoming PER 2003 exercise, two strands of activity will be required to assure more effective mainstreaming of HIV in future:

#### *Sector PER Studies*

Include a specific HIV “focus” as an integral part of PER studies in priority sectors<sup>12</sup> and provide a number days of consultancy expertise to respective sector PER teams to achieve this<sup>13</sup>. This should include the following:

- a) Identify HIV-related activities/allocations included in the 2002/3 MTEF
- b) Assess status of budget execution and identify any major impediments.
- c) Identify priority actions relevant to that sector and linked to the National Multi-Sectoral Strategic Framework on HIV/AIDS 2003 – 2007, particularly in the area of mainstreaming and in the identification of costed HIV/AIDS budget line items for the coming financial year 2003/04.

#### *Multi-sectoral PER Study*

Undertake multi-sectoral PER study on measures to assure more effective mainstreaming of HIV into the forthcoming budget round. Assess current status of HIV mainstreaming into budget process. Make specific recommendations on how to incorporate HIV/AIDS into the budget guidelines and ceilings in order to encourage Sectors and Councils to develop plans and allocate resources appropriate to the scale of the challenge. It should include (at least) the following elements:

- a) **Extract from current MTEF all HIV-AIDS related expenditures** across sectors in order to assemble a complete financial picture of the multi-sectoral response at present (linked to 3.1 above).
- b) Assess **feasibility of tracking HIV-related** budget/expenditures (whatever the sector) through the IFMS while encouraging full integration of sectoral HIV plans with overall sector MTEF. Make specific recommendations to assure that this will be possible for the forthcoming financial year.
- c) Draft **narrative section for inclusion in the budget guidelines** FY2003/4 to encourage sectors to give adequate weight to HIV when drafting their plans/budgets
- d) **Provide indicative estimate of the level of expenditure commensurate with an effective multi-sectoral response for all sectors and linked to the National Multi-Sectoral Strategic Framework on HIV/AIDS 2003 – 2007.** This could be included in the budget guidelines as an indication of government expectations on the level of allocation to HIV

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<sup>12</sup> This process has already begun with all Priority Sectors (except Roads and Lands) PER TORs reviewed by the PER HIV/AIDS Working Group for HIV/AIDS focus.

<sup>13</sup> There are a number of priority sectors, especially those that do not have HIV/AIDS strategic plans, which may need more assistance in addressing the question of HIV/AIDS within their PER studies.

within sector budgets. It can also serve as a basis for appraisal of draft budget submissions before their finalisation.

- e) Assess current **capacity in selected sectors to formulate effective plans and budgets** for their distinctive contribution to the multi-sectoral response. Make specific recommendations on building this capacity in the short (2003/4 budget round) and medium term so that HIV is more adequately reflected in budget submissions.
- f) Assess **TACAIDS capacity to review and appraise** draft sectoral budgets for HIV coverage. Make specific recommendations on building this capacity for 2003/4 budget round and subsequent years.
- g) Identify any **areas of HIV-related expenditure** (e.g. IEC and behaviour change communications) **which do not easily map onto administrative (sectoral) boundaries**. Make recommendations on how duplicative planning/budgeting can be avoided, and how such areas should be treated in the budget guidelines and budget appraisal process
- h) **Assess allocations and actual out-turn (year to date) on allocations to HIV in this year's budget** (TACAIDS 4.5bn, unallocated 15bn). Assess adequacy of TACAIDS budget and its internal allocation and make specific recommendations for forthcoming year. Assess the case for maintaining a portion of unallocated resources for HIV under "designated items" as opposed to full mainstreaming within the budget process.
- i) Undertake a financial **HIV/AIDS tracking study at the council level** for 2001 and 2002 (budgeted, release, actual spend) in a select number of councils. In addition assess HIV/AIDS plans & budget in selected councils, review relevant circulars/guidelines, and make recommendations for ensuring more effective **mainstreaming of multi-sectoral HIV activities into local government plans and budgets. Make recommendations as to how those plans and budgets should be reviewed and approved- by whom and at what level and with what institutional capacity.**

#### 4. Reporting Requirements

Outputs to feed in to the budget guidelines must be made available by 20<sup>th</sup> of December 2002.

- a) A full draft PER report, including annexes, tables and figures should be submitted by 24th of January 2003 in electronic form (MS-Word and MS-Excel)
- b) The finalised report, taking account of comments/recommended amendments should be submitted in electronic form (as above) by 31<sup>st</sup> January 2003
- c) The report will have a maximum of 40 pages, excluding appendices. It must include an accessible summary on the principal conclusions, policy implications and recommendations for wider distribution to the public (maximum 5 pages).

#### 5. Programme of Work

HIV/AIDS PER Working Group

In order to undertake the HIV/AIDS PER, 2003, a Working Group is required, with representation from Government, Development Partners and Civil Society. The PER working Group for 2003 consists of the following members:

Dr Temba TACAIDS – Chairman  
Ms Beng'i Issa TACAIDS – Secretary  
Rep Ministry of Finance  
Rep Prime Minister's Office  
Rep Ministry of Health  
Rep Ministry of Education  
Dr Bergis Schmidt-Ehry GTZ/Chair of the HIV/AIDS DAC Group – Donor Rep  
Dr Phil Gowers World Bank – Donor Rep  
Ms J Mahon SDC – Donor Rep.  
Mr I Jones DFID – Donor Rep.  
Ms M. Bukuku TANGO – Civil Society Rep  
Dr Binagwa Care – Civil Society Rep.

The overall objectives of the Working Group are as follows:

*Multi-sectoral HIV/AIDS PER*

- a) To co-ordinate the HIV/AIDS PER
- b) To provide guidance in the implementation of the HIV/AIDS PER work to the consultants.
- c) To Review the draft HIV/AIDS estimates to be forwarded for inclusion in the Budget Guidelines,
- d) To Review the draft PER HIV/AIDS Report;
- e) To sign-off on the final draft HIV/AIDS report for forwarding to the PER Working Group.

*Sector PER Studies*

- a) To provide guidance in the implementation of the HIV/AIDS PER work to the Sector PER working groups.
- b) To review Sector PER Reports specifically in terms of focus on HIV/AIDS and provide comments/input to the main PER Working Group.

*Specific Activities of the HIV/AIDS PER Working Group:*

- a) To review and finalise TORs for the PER HIV/AIDS Exercise and forward to the PER working group for approval;
- b) To review the Sector PER TORs in terms of content with respect to HIV/AIDS and forward comments to the PER Working Group;
- c) To identify Consultant(s) to undertake the assignment and forward CVs with recommendations to the PER working Group;
- d) To provide advice to the Sector PER working Group, on request, for addressing HIV/AIDS mainstreaming within their PER study;
- e) To co-ordinate regularly with other Sector PER working groups to ensure that HIV/AIDS is being addressed within their PER assignment and that the necessary co-operation/support is being provided to PER HIV/AIDS consultant.

- f) To prepare a Questionnaire that will be forwarded to Priority Sectors to complete prior to the arrival of the Consultant(s). This will address issues such as activities included in the current year MTEF; budget; release; actual spend to date and implementation status.
- g) To design a survey tool to undertake a limited "tracking" study at the district level with respect to HIV/AIDS.

In addition, two external consultants will provide technical assistance to undertake the PER HIV/AIDS study. The main Consultant will focus specifically in addressing the multi-sectoral HIV/AIDS study. This will involve two visits to Tanzania, firstly in December in order to work on providing estimates to feed into the Budget Guidelines and the second visit to write up the HIV/AIDS PER Report. This consultancy will be funded by the UK Department for International Development (DfID). It is proposed that a second Consultant be recruited, to work closely with the PER HIV/AIDS Working Group and the Main Consultant, and be responsible to provide support to Sector PER working groups to facilitate them in addressing the issue of HIV/AIDS in their PER studies, particularly in sectors such as Justice, Agriculture and PoRALG.<sup>14</sup>

*Timetable of PER HIV/AIDS*

<b>Activity</b>	<b>Dates</b>	<b>Responsibility</b>
<b>Finalisation of Draft PER HIV/AIDS TOR</b> (including determining dates etc)	25 Nov.	PER HIV/AIDS Working Group
<b>Finalisation of PER HIV/AIDS Working Group TOR</b>	25 Nov	PER HIV/AIDS Working Group
<b>Finalise comments/inputs on the contents of the Sector PERs TOR</b> (forwarded to PER Working Group)	12 Nov	PER HIV/AIDS Working Group
<b>Review proposed consultants and select possible candidates</b>	25 Nov	PER HIV/AIDS Working Group
<b>Formal Agreement on TORs (PER and Working Group, Consultants)</b>	26 Nov.	PER Working Group
<b>Collect core data:</b> Priority Sectors, local councils, development partners	9-20 Dec	Andrew Thompson
<b>Collect additional data:</b> Council Tracking Study	9-20 Dec	Andrew Thompson
<b>Preparation of draft report:</b> Input data onto computer Data analysis and compilation of draft report Presentation of data/outputs required for Budget Guidelines	6-13 Jan	Andrew Thompson Andrew Thompson Andrew Thompson
<b>Compile draft report</b>	13-24Jan	Andrew Thompson

<sup>14</sup> There is as yet no funding secured for this consultant and it is proposed that funds be accessed from the PER Basket Fund.



**Feedback and final report:**

Present PER draft results	24 Jan	Andrew Thompson and PER HIV/AIDS Working Group
Amend draft report and forward to PER Working Group	31 Jan	Andrew Thompson and PER Working Group
Disseminate final report		Stakeholders Meeting
MTEF Development?		

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## Annex 5: Key Contacts

Name	Position	Organisation	Contact Information
<b>HIV PER Working Group</b>			(255-22)
Dr. Temba	Chairman	TACAIDS	211-7253 <a href="mailto:Tacaids@raha.com">Tacaids@raha.com</a>
Ms. Beng'i Issa	Director of Finance and Budgeting	TACAIDS	212-5127/2651 <a href="mailto:Tacaids@raha.com">Tacaids@raha.com</a>
Mr. Iain Jones	Asst. Economic Advisor	DfID	211-0141 <a href="mailto:i-jones@dfid.gov.uk">i-jones@dfid.gov.uk</a>
Ms. Jacqueline Mahon	Health Advisor	SDC	266-6220 <a href="mailto:jacqueline.mahon@sdc.net">jacqueline.mahon@sdc.net</a>
Mr. Emmanuel Malangalila	Health Advisor	World Bank	211-6198/9 <a href="mailto:Emalangalila@worldbank.org">Emalangalila@worldbank.org</a>
<b>PER Working Group</b>			
Mr. Peniel Lyimo	Permanent Secretary	MOF	211-1025 <a href="mailto:plyimo@mof.go.tz">plyimo@mof.go.tz</a>
Ms. Hazel Gray	Economist, Aid Co-ordination Desk	MOF	211-3368 <a href="mailto:Hazelsgray@yahoo.com">Hazelsgray@yahoo.com</a>
Mr. Nashon Magambo	Acting Budget Commissioner	MOF	213-9887 <a href="mailto:nmagambo@mof.go.tz">nmagambo@mof.go.tz</a>
<b>Sector HIV Co-ordinators</b>			
Mr. David Mugussi		MOEC	0744-827-172 <a href="mailto:davmugussi@hotmail.com">davmugussi@hotmail.com</a>
Santy Kimaro		MOEC	0744-861-777 <a href="mailto:santy_kimaro@yahoo.com">santy_kimaro@yahoo.com</a>
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Mr. LM Lyimo		MOA Box 9192 DSM	286-2074 0744-775-560 <a href="mailto:Lyimolibe@yahoo.com">Lyimolibe@yahoo.com</a>
Mr. Amani Mwakalonge		MOW PO Box 9423 DSM	211-553/8 <a href="mailto:Amwakalonge@yahoo.com">Amwakalonge@yahoo.com</a>
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Ms. Mariam Ally		MOH PO Box 9083 DSM	0744-436-472 <a href="mailto:mariam_mwakobe@yahoo.com">mariam_mwakobe@yahoo.com</a>
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Mr. Omar ?		PO-RALG PO Box 1923 Dodoma	026-232-1599 0744-819-490
<b>Accountant General</b>			
Ms. Nyoni	Accountant General	MOF	212-3904
<b>Donor Aid Committee</b>			
Ms. Hilde Basstanie	Country Programme Advisor	UNAIDS PO Box 9182 DSM	213-0350 0744-308-797 <a href="mailto:hilde.basstanie@undp.org">hilde.basstanie@undp.org</a>
Mr. Paul Smithson	Health Advisor	DFID	260-0572/8 0744-210701 <a href="mailto:P-smithson@dfid.gov.uk">P-smithson@dfid.gov.uk</a>
<b>2003 Health Sector PER</b>			
Ms. Sally Lake	Consultant	Supported by SDC	<a href="mailto:Slake@gn.apc.org">Slake@gn.apc.org</a>

## Annex 6: 2003 HIV PER Sector Questionnaire

### **2003 Multi-sectoral HIV Public Expenditure Review Agenda of the Meeting of HIV/AIDS Officials from Key Sectors 10 January, 2003 at TACAIDS Headquarters**

To complete the 2003 HIV PER information is needed from each sector. Each sector is asked to provide valuable information on recent HIV work plan **budgets** and **expenditures** for HIV activities as well as estimated **projections** up to 2006/07. Moreover each sector is asked to identify **bottlenecks** in the financial management of HIV activities. These bottlenecks may include problems in accessing released funds or difficulties in spending funds already released. A list of information required from each sector is included below.

A critical element of the HIV PER is a thorough review of the HIV components in each sector's 2002-2007 MTEF. **Please bring a copy of the MTEF with you to the meeting on 10 January.** It will be reviewed and returned to you in three to four weeks. It would be highly appreciated if the HIV components of the MTEF were highlighted

#### Meeting Agenda

10:00 AM Meeting Begins

- Opening Remarks, Dr. Temba
- Brief Introduction of 2003 HIV PER, Beng'i Issa
- Review of Information Requested from Sectors, Beng'i Issa and Andrew Thompson (HIV PER consultant)

11:00 Meeting Ends

#### Information Requested from Sectors

<p>Please provide as much information as possible in the questionnaire below. Bring it to the meeting of HIV PER Working Group at TACAIDS headquarters on 10 January. We understand that it may not be possible to provide all of the information in time for the meeting and that it may be necessary to consult with colleagues more familiar with certain aspects of your ministry's HIV programme and its financial management. Please provide the remaining information to TACAIDS (Tacaids@raha.com) by <u>January 17</u> as the deadline for the draft HIV PER report is January 23.</p>
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1. Please complete the spaces below:

Name

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Title

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Ministry

\_\_\_\_\_

Contact Numbers (o)\_\_\_\_\_ -

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(m)\_\_\_\_\_

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(fax)\_\_\_\_\_

E-mail

\_\_\_\_\_

- Included in this package is a table that contains information from the MOF on HIV funding allocation and expenditure according to sector. Please **cross-check** this information with records from your ministry and note any discrepancies.
- Who is the person **primarily responsible** for the conducting the activities listed in the table below:

Activity	Person	Phone	E-mail Address
HIV Workplan			
Costing/Budgeting Workplan			
Recording HIV Expenditures			
Reporting Expenditure Data to MOF			

- Please complete the table below:

Year	Budget Amount Requested for HIV Activities	Funds Released	Actual Expenditure
1999/2000			
2000/2001			
2001/2002			
2002/2003			
2003/2004			
2004/2005			
2005/2006			

- Has your ministry experienced problems in **accessing** funds approved for HIV activities in recent years?  
 Yes\_\_\_\_\_ (Please provide details on a separate sheet of paper)  
 No\_\_\_\_\_
- Has your ministry experienced problems in **spending** funds approved for HIV activities in recent years?  
 Yes\_\_\_\_\_ (Please provide details on a separate sheet of paper)  
 No\_\_\_\_\_

3. In your view how can problems with accessing and spending funds allocated to HIV be **alleviated**? Please be as thorough as possible with your response. If necessary consult with colleagues.
  
4. Does your ministry refer to the annual **Budget Guidelines** in preparation of the budget for the HIV workplan?  
Yes \_\_\_\_\_  
No \_\_\_\_\_
  
5. Are these guidelines **useful** in your budget preparation?  
Yes \_\_\_\_\_  
No \_\_\_\_\_
  
6. Should the Budget Guidelines provide **more detailed guidance** in HIV budgeting?  
Yes \_\_\_\_\_ (What additions would you like to see included in the guidelines? Please use a separate sheet of paper)  
No \_\_\_\_\_
  
7. What **additional guidance or assistance** would you like to be made available to your ministry in the financial management of HIV activities, including producing workplans, budgeting and recording expenditures? (Please be as detailed as possible on a separate sheet of paper.)

## Annex 7: TACAIDS/World Bank Financial Management Checklist

### Assessment of Financial Management Arrangement in World Bank-Financed Projects

Bank policy requires borrower and project implementing entities to “maintain financial management systems—including accounting, financial reporting, and auditing systems—adequate to ensure that they can provide to the Bank accurate and timely information regarding project resources and expenditures.

The objective of the Assessment is to determine whether the entity (or entities) responsible for the implementation of Bank-financed projects have acceptable financial management arrangements. The arrangements include the entity's system of accounting, auditing and internal controls. The entity's arrangements are acceptable if they are considered capable of recording correctly all transactions and balances, supporting the preparation of regular and reliable financial statements, safeguarding the entity's assets, and are subject to auditing arrangements acceptable to the Bank

### Internal Control Questionnaire

Project Name : \_\_\_\_\_

Self Assessment completed by: \_\_\_\_\_ Date: \_\_\_\_\_

Bank Review/Assessment completed by: \_\_\_\_\_ Date: \_\_\_\_\_

Topic	Yes	No	N/A	Review*	Comments
<b>1. IMPLEMENTING ENTITY</b>					
1.1 What is the legal status/registration of the entity?					
1.2 Has the entity implemented a Bank-financed project in the past?					
1.3 What are the statutory reporting requirements for the entity?					
1.4 Is the governing body for the project independent?					
1.5 Is the organizational structure appropriate for the needs of the project ?					
<i>Risk Assessment (Implementing Entity)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>N</i>	
<b>2. FUNDS FLOW</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	
2.1 Describe the funds flow arrangements, including a chart and explanation of the flow of funds from the World Bank, Government and other financiers.					
2.2. Are the arrangements to transfer the proceeds of the loan (from the government / ministry of finance) to the entity satisfactory?					
2.3 Were there any major problems in the past in receipt of funds by the entity?					

<b>Topic</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	<b>Comments</b>
2.4 In which Bank will the Special Account be opened? Is it acceptable?					
2.5 Has the project experience in the management of disbursements from the World Bank?					
2.7 Does the entity have/need a capacity to manage the foreign exchange risks?					
2.8 How are the counterpart funds accessed?					
2.9 How are payments made from the counterpart funds?					
2.10 If part of the project is implemented by communities or by NGOs, does PIU have necessary reporting and monitoring features built into its systems to track the use of project proceeds by such agencies.					
2.11 Are the beneficiaries required to make contribution to the project costs? If beneficiaries have an option to make the contribution in kind (in the form of labour) are proper guidelines formulated to record and value the labour contribution?					
<i>Risk Assessment (Funds Flow)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>N</i>	
<b>3. STAFFING</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	
3.1 What is the organizational structure of the accounting department? Attach an organization chart.					
3.2 Identify the accounts staff, including job title, responsibilities, educational background and professional experience. Attach job descriptions and CVs of key accounting staff.					
3.3 Is the project finance and accounts function staffed adequately?					
3.4 Is the finance and accounts staff adequately qualified and experienced?					
3.5 Is the project accounts and finance staff trained in the Bank procedures?					
3.6 What is the duration of the contract with the finance and accounts staff?					
3.7 Indicate key positions not contracted yet, and the estimated date of appointment					
3.10 Does the project have written position description for all of the officers, managers and staff that clearly define duties, responsibilities, lines of supervision, and limits of authority?					
3.11 At what frequently is the staff transferred?					
3.12 What is training policy for the finance and accounting staff?					
<i>Risk Assessment (Staffing)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>N</i>	
<b>4. ACCOUNTING POLICIES AND PROCEDURES</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	
4.1 Does the entity have an accounting system that allows for the proper recording of project financial transactions, including the allocation of expenditures					



Topic	Yes	No	N/A	Review*	Comments
in accordance with the respective components, disbursement categories and sources of funds? Will the project use the entity accounting system?					
4.2 Are controls in place concerning the preparation and approval of journal entries, ensuring that journal entries are correctly made and adequately explained?					
4.3 Is the chart of accounts adequate to properly account for and report on project activities?					
4.4 Are cost allocations to the various funding sources made accurately and in accordance with established agreements					
4.5 Are the General Ledger and subsidiary ledgers reconciled and in balance?					
4.6 Are all accounting and supporting documents retained on a permanent basis in a defined system that allows authorized users easy access?					
<b>Segregation of Duties</b>					
4.7 Are the following functioning responsibilities performed by different units or persons: (i) authorization to execute a transaction; (ii) recording of the transaction; and (iii) custody of assets involved in the transaction?					
4.8 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?					
4.9 Are bank reconciliations prepared by someone other than those who make or approve payments?					
<b>Budgeting System</b>					
4.10 Do the budgets lay down physical and financial targets?					
4.11 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?					
4.12 Are actual expenditures compared to budget with reasonable frequency and explanations required for significant variations from the budget?					
4.13 Are approvals required in advance or post-facto for variations from the budget?					
4.14 Who is responsible for preparation and approval of budgets?					
4.15 Are procedures in place to plan project activities, collect information from the units in charge of the different components, and prepare the budgets?					
4.16 Are the project plans and budgets of the project activities realistic, based on valid assumptions and developed by knowledgeable individuals ?					
<b>Payments</b>					

Topic	Yes	No	N/A	Review*	Comments
4.17 Do invoice processing procedures provide for: <ul style="list-style-type: none"> <li>• Copies of purchase orders and receiving reports to be obtained directly from issuing departments?</li> <li>• Comparison of invoice quantities, prices and terms, with those indicated on the purchase order and with records of goods actually received?</li> <li>• Comparison of invoice quantities with those indicated on the receiving reports?</li> <li>• Checking the accuracy of calculations?</li> </ul>					
4.18 Are all invoices stamped <i>PAID</i> , dated, reviewed and approved, and clearly marked for account code assignment?					
4.19 Do controls exist for the preparation of the payroll and are changes to the payroll properly authorized?					
Policies And Procedures					
4.20 What is the basis of accounting (e.g., cash, accrual)					
4.21 What accounting standards are followed?					
4.22 Does the project have an adequate policies and procedures manual used to control activities and to ensure staff accountability?					
4.23 Is the accounting policy and procedure manuals updated for the project activities?					
4.24 Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy, or procedure to be used by the entity?					
4.25 Are there written policies and procedures covering all routine financial management and related administrative activities?					
4.26 Do policies and procedures clearly define <i>conflict of interest</i> and <i>related party transactions</i> (real and apparent) and provide safeguards to protect the organization from them?					
4.27 Are manuals distributed to appropriate personnel?					
Cash and Bank					
4.28 Are there any project bank accounts opened yet?					
4.29 Indicate names and positions of authorized signatories in the bank accounts.					
4.30 Does the project maintain an adequate, up to date cashbook, recording receipts and payments?					
4.31 Do controls exist for the collection, timely deposit, and recording of receipts at each collection location					
4.32 Are bank and cash reconciled on a monthly basis?					
4.33 Are all unusual items on the bank reconciliation reviewed and approved by a responsible official?					
4.34 Are all receipts deposited on a timely basis?					

Topic	Yes	No	N/A	Review*	Comments
Safeguard over Assets					
4.35 Is there a system of adequate safeguards to protect assets from fraud, waste, and abuse?					
4.36 Are subsidiary records of fixed assets and stocks kept up to date?					
4.38 Are there periodic physical inventories of fixed assets and stocks?					
4.39 Are assets sufficiently covered by insurance policies?					
Other offices and implementing entities					
4.40 Are there any other regional offices or executing entities participating in implementation?					
4.41 Has the project established controls and procedures for flow of funds, financial information, accountability and audits in relation for the other offices or entities?					
4.42 Does information among the different offices/implementing agencies flow in an accurate and timely fashion?					
4.43 Are periodic reconciliations performed among the different offices/implementing agencies?					
Other					
4.44 Has the project advised employees, beneficiaries and other recipients whom to report to if they suspect fraud, waste or misuse of project resources or property?					
<i>Risk Assessment (Accounting Policies and Procedures)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>N</i>	
<b>5. INTERNAL AUDIT</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	
5.1 Is there an internal audit department in the entity?					
5.2 What are the qualifications and experience of the persons working in the department?					
5.3 To whom does the internal auditor report?					
5.4 Will the internal audit department include the project in its work program?					
<i>Risk Assessment (Internal Audit)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>N</i>	
<b>6. EXTERNAL AUDIT</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	
6.1 Are the entity financial statement audited regularly by an independent auditor? Who is the auditor?					
6.2 Are there any delays in audit of the entity? When are the audit reports issued?					
6.3 Is the audit of the entity conducted according to the ISA?					

<b>Topic</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	<b>Comments</b>
6.4 Were there any major accountability issues brought out in the audit report of past three years?					
6.5 Will the entity auditor audit the project accounts or will a separate auditor be appointed to audit the project financial statements?					
6.6 Are there any recommendations made by the auditors in prior audit reports or management letters that have not yet been implemented?					
6.7 Is the project subject to any kind of audit from an independent governmental entity (e.g., the Supreme Audit Institution) in addition to the external audit?					
6.8 Has the project prepared acceptable Terms of Reference for an annual Project audit?					
<i>Risk Assessment (External Audit)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>N</i>	
<b>7. REPORTING AND MONITORING</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	
7.1 Are financial statements prepared for the entity? In accordance with which accounting standards?					
7.2 Are financial statements prepared for the implementing unit?					
7.3 What is the frequency of preparation of financial statements? Are the reports prepared on timely so as to useful to the management for decision making?					
7.4 Does the reporting system need to be adapted to report on the project components?					
7.5 Does the reporting system have the capacity to link the financial information with the project physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data.					
7.6 Does the Project have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain and how they are to be used?					
7.7 Are financial management reports used by management?					
7.8 Do the financial reports compare actual expenditures with budgeted and programmed allocations?					
7.9 Are financial reports prepared directly by the automated accounting system or are they prepared by spreadsheets or some other means?					
<i>Risk Assessment (Monitoring and Reporting)</i>	<i>H</i>	<i>S</i>	<i>M</i>	<i>N</i>	
<b>8. INFORMATION SYSTEMS</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	
8.1 Is the financial management system computerized?					
8.2 Can the system produce the necessary project financial reports?					
8.3 Are the staff adequately trained to maintain the					

<b>Topic</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Review*</b>	<b>Comments</b>
system?					
8.4 Does the management organization and processing system safeguard the confidentiality, integrity and availability of the data?					