

CHAPTER 8**CONCLUSIONS AND RECOMMENDATIONS**

8.1. Introduction

Donor funding plays a major role in alleviating poverty, improving education and enhancing the level of health services. The value of donor funding, especially in third world countries cannot be denied, the question remains whether donor funding results in sustainable benefits. This study examined the sustainability of donor funding in the health sector with the intention of making recommendations to ensure sustainability.

The research was based on a literature review as well as empirical research. This chapter provides a summary of the research conducted and concludes with recommendations and implications for the management accounting (finance), as well as the health profession. It also suggests recommendations for future research.

8.2. Summary

Chapter two investigated the state of the global health sector. Background to the health sector provided a good foundation to evaluate donor funded projects and how the MDG's are progressing. This evaluation lead to the decision that Michael Porters value chain can also be applied to donor funding, as there were certain relevant clusters present in donor funding.

Most of the countries contributing towards health progress are either First or Second World countries and funding is usually given to Third World countries. From the health sector analysis it is clear that the Third World countries involved with constant hostilities in the last decade or two, are countries with the greatest need for funding. Due to deficient infrastructure, caused mostly by constant warfare, not even basic sanitary facilities are available in most of these countries. These deficiencies, as well as poor nutrition,

contribute to most of these countries' health problems. These countries also have the highest HIV and child mortality figures worldwide, according to CIA (2011).

The conclusion is that donor funding to these countries, civilised development and survival are seriously impaired. The value chain can thus be applied to donor funding and used to demonstrate the funding structure and the MDG's play a vital role in the Health sector.

In order to sustain donor funding, correct and relevant reporting to donors and other stakeholders is imperative. In Chapter 3 sustainability reporting was researched. The King I, II and III reports, sustainability reporting, integrated reporting, GRI reporting, Triple Bottom Line reporting are all reports that must be adhered to.

These different types of reporting can be time consuming, thus further decreasing the life time of a project. Without a proper background of the requirements of how different types of reporting works, and the knowledge of how reports should be integrated in the project as well as how critical each of the different aspect of reports are, one can become confused and anxious. The financial officer/project manager/management accountant of a project needs to have an up to date understanding about all these different types of reports and be aware of the influence these reports have on their projects. They are also responsible for informing the initiator of the project (project manager in most cases) about all the financial, reporting and time implications for their particular research. In addition they are responsible for giving guidance towards strategic decisions during the course of the project. It behoves the project manager to have the complete task in mind and not only one specific process.

If they want to ensure that they receive funding in the future, it is essential for recipients of donor funding to report back on donor funding. Donors have the right to know what recipients do with their funding, the more inclusive the reporting, the more reliable the spending of the funding, the bigger the chance of renewed funding.

In conclusion it can be said that reporting plays a critical role in donor funding, as without accurate and comprehensive reporting as required specifically by funders, funding may be

suspended after the first funding period has ended. Each organization/funder has its own set of reporting guidelines on top of the compulsory guidelines stated by governances, as to make consolidated reporting of all their funds more adequate.

An investigation of the issue of ethical clearance for health care research was dealt with in chapter 4. All research projects in the health sector require ethical clearance before appropriate research can begin. Most donors are unaware of the time implication and the processes that should be followed to obtain ethical clearance, especially if the donor is from another country and not familiar with the recipient countries ethical and bureaucratic processes. Ethical clearance does affect the outcome of a project as well as its' sustainable benefits because of the financial and time implications involved. It is therefore, crucial for recipients to know the route (as well as the duration) taken in obtaining ethical clearance, if they want to ensure the maximum outcome of their project. Taking the above into account, while planning the budget and outlay of the project, may just make a significant difference in the end.

The conclusion is that ethical clearance plays a fundamental role in the outcome of a project, as a project cannot commence without ethical clearance. Different countries have different paths to follow in obtaining ethical clearance and as stated in chapter 4, African countries takes longer in obtaining ethical clearance than most 1st and 2nd world countries (who mainly gives funding).

Chapter 5 focuses on how financing conditions alter a recipient's initial goals and how that affects the outcome of a project. Donations are not made blindly. Donors have specific goals in mind. When recruiting potential donors for a project the chance of success is improved especially when the objectives of donors are also compatible with the objectives of the project.

Expenses differ from country to country and donors need to take this into account when they give funding to another country. They require that the goal/s of their project/s be met. Some of the expenses are interwoven with other expenses like transcribing,

accommodation, travel, printing, to name but just a few. Insufficient funding towards a specific line item or category can bring a project to a complete halt, because permission to transfer funds to another line or category needs to be obtained first. The project may need more time to reach its goals or be completed, thus requiring more funding towards remuneration as personnel needs to be employed for an extended period.

The conclusion thus made is that the objectives of a project plays a critical role in the application of funding and the costs per line item (different expenses) plays a crucial role in the success of a project.

Chapter 6 investigated the sustainability of a project after the donor funding has ended. A project manager plays a critical role in ensuring the success of a project, as well as the continuing of a project, after the initial funding towards the project has ended. The background, knowledge and qualification that a project manager has, plays a fundamental role in the sustainability and success of a project. The project manager is not the only element that plays a role in the success of the project, the community, environment and endorsement of executive managers also plays a crucial role. Project managers need to be more involved in the strategic planning and decision-making process when ascertaining sustainability of projects.

When a project is classified as a sustainable project, more involvement and support from the community and executive managers will be obtained, as it holds benefits for them in the long term, for example; employment opportunities for the community and incentives for executive management when projects surpass expectations.

In conclusion, the sustainability of a project is dependent on the background of the project manager. Most project managers only have background about the sector they are researching and not necessarily a management or financial background, making it difficult to adequately contribute to the sustainability of the project. Without proper reporting, donors will not continue supporting specific recipients. Without a strategic or management background, the project manager will not manage the project and stakeholders successfully, thus limiting the sustainability and outcome of the project.

Chapter 7 contained the empirical study of the research. Data was obtained and analysed to determine whether donor funding is sustainable in the health sector, what affect certain variables have on the outcome of a project and the sustainability of a project after the funding has ended.

Based on the empirical study, the following conclusions were reached:

- The world is way behind on reaching the MDG's goals, despite the enormous contribution of donor funds allocated towards these goals.
- Money is given for specific diseases, while the world is facing a multi-conditioned onset of diseases at the moment. Thus we are not dealing with the causes, rather managing the symptoms, rather like trying to put out the fire with a glass of water. This will not eliminate the problem.

Future funding will most likely be directed at the MDG goals that made least amount of progress towards their goals, as they need to make more progress in the total amount of time granted to reach their goals.

After evaluating of the secondary objectives, a conclusion is now drawn from the two main objectives stated in chapter 1 on page 5.

➤ **Are the MDG funds distributed towards the greatest need when looking at the burden?**

The health sector has many burdens that require funding. A burden is usually classified as great, when the amount of lives it takes each year increases significantly. Currently HIV/AIDS are classified as the disease with the highest burden, as there is yet to be found a cure for. And until a cure is found HIV/AIDS, it will remain on the top of the list of burdens.

While there are other diseases that also pose as diseases with great burdens, they will remain in the background. As most of these diseases, like malaria, do have a cure. However these medicines are not always readily availability to everyone facing these infirmities.

Some of these diseases are not just disease related, as acute respiratory conditions and tuberculosis has to do with the environment people are living in. Treating their physical symptoms will not have a long term effect in ensuring a better life for them, as their lifestyles and circumstances still remains the same. Thus diseases and burdens need to be look at as a big picture, as we are facing a multi-dimensional problem and not just a single disease related problem.

In conclusion, most of these diseases and burdens are interwoven into each other and cannot be reduced individually. When looking at the MDG burdens individually, one can say that donor funding towards the MDG's are not distributed towards the greatest needs. MDG 7, 1 6 would be the top three MDG goals that needs to receive the most funding, as MDG 7 and 1 are basic needs every single human being needs access to and MDG 6 would ease mortality rates.

- **Does the funding, given to the health sector, make a difference to individuals in the health sector, or are we deceiving ourselves in thinking that donor funding makes a difference?**

The need for donor funding has increased significantly over the last decade. Without donor funding millions of people wouldn't be alive today. Thanks either to research finding a cure, successful treatment, funds donated for food, aid toward building infrastructure, or giving people the opportunity to further their education, donor funding facilitates a better future for everyone.

Despite the huge amounts of funding directed at ensuring a better future for everyone and not just the people living in the top half of the income grid, the funding given is not even nearly enough to meet the current need that is in the world. More funding has to be raised, to ensure that sustainable progress is made to a better future for everyone.

8.3. Limitations of this study

- Not all costs were evaluated in Chapter 5 and only fifteen countries were evaluated.
- An in-depth look was taken at Africa, although Asia is also combating poor health issues.
- Some African countries, like Sierra Leone and Zimbabwe, did not have sufficient data to compare with other countries, making it difficult to rank them amongst the other countries.

8.4. Implications for the Health- and Finance Profession

With the world trend in reporting changing rapidly, cost and management accountants as well as financial accountants and project managers have to equip them to adhere to the new way of reporting, namely integrated and sustainability reporting. South Africa is way behind and needs to catch up fast if they want to stay competitive in the “global donor funding market”. For funding purposes this is also essential, as donors will not give money if the reports they receive are not of the right standard concerning integrated and sustainability reporting. Cost and management accountants/Project Managers should also equip themselves with knowledge of the different reporting styles required by the countries they want to apply to for funding.

8.5. Recommendations for Future Research

From the research conducted, the following topics were identified that require further research:

- Why are most projects in Third World countries not sustainable?
- What plans are put into action to ensure that the MDG goals are reached?
- Investigate what works for First World countries health systems and consider how that can be applied to Third World countries to ensure that they also get the best health care available.
- Do donors take into account the different costs of countries when allocating funding to that specific country?

- Establishing models to evaluate the sustainability of pilot projects and normal projects.
- Establishing a model on how to distribute donor funds across different needs and not only one specific need, thus addressing the multi-condition onset of diseases that the world is facing at the moment.

8.6. Conclusion

There is a major gap between funding needed and funding given; this can be corroborated with Graph 7.10: Health requirements and funding for 2006 - 2010). Only half of the funding needed was received in 2010 and this trend will continue unless more funding is generated.

A big push of aid will also not be the sole answer, as we are facing a multi-dimensional problem. Trade and reform must also form part of this aid, thus ensuring a sustainable progression in the life's of people. It also needs be a collaborative approach by public, private and donor sectors.

Individuals make up the biggest proportion of donor funding, as stated by Graph 2.2. on page 15 (Chapter 2). Thus, it is important to know why people give money, if we want to ensure more sustainable funding in the future. The rational consideration of the seriousness of the crisis, characteristics of the victims and factors of a political and economic nature, plays a role in determining why individuals contribute towards donor funding.

From the monies received by individuals, there are certain conditions again playing a role how monies are actually distributed to recipients. They are as follow:

1. A preference for certain programmes which are in line with one's religious beliefs or just a preference for certain programmes.
2. Foreign aid forms part of government budgets, if the governments experiences a business downturn cycle or unexpected increases in government spending, they have to change their priorities and downscale funding.

3. The “free rider” behavior in financing global public goods, is the global health good really a public good.
4. Most of the funding is politically motivated, thus a country gives money for political gain.

Besides how monies are raised and further distributed, the following aspects also play a role in the outcome of a project.

- The ethical clearance that must be obtained before a project can begin,
- The different types of reporting one must adhere to,
- The objectives set by funders,
- The background and qualification a project manager have
- The involvement of the community and upper management in a project and lastly
- Objectives of the funders projects, when recipients apply for funding.

The purpose of this study was to determine the sustainability of donor funded projects in the health sector. The question needed to be answered was: Is donor funded projects maintainable?

The direct answer is no, donor funded projects is not maintainable in the future.

However, this question does not have a direct answer. Donor funded projects may have a sustainable future when taking into account everything that plays a role in donor funding as stated previously in this chapter. The following aspects also need to be addressed to ensure a sustainable future for donor funding:

- The re-evaluation of project objectives stated by funders, as to meet the needs of current burdens.
- Re-evaluation of the MDG's, to ensure a more maintainable goal to reach in the future, thus ensuring funding goes to the greatest burden. Lowering the bar of the MDG's will ensure a more

This chapter met all the primary and secondary objectives as stated in chapter one on page five and six.

When taking into account the above mentioned, donor funded projects in the health sector would be maintainable. It can thus be concluded that donor funded projects is sustainable in the Health Sector.