

SEGA / MESP QUARTERLY REPORT OCTOBER TO DECEMBER 2003

SEGA/MESP activities to support South Africa's ability to design implement and evaluate sound economic policies continued actively in the last quarter of the calendar year. A \$3 million contract extension was signed in November 2003 to allow for continuation of existing activities and initiation of a few new programmes. As of the end of the calendar year, the project has expended a total of \$23.513 million. This includes quarterly expenditure of \$1.034 million.

MANDELA ECONOMIC SCHOLARS PROGRAM (MESP)

After the successful launch of the Mandela Economics Scholars Alumni Association (MESAA) in September 2003, the elected steering committee met during this quarter to continue the plan of action established at the MESAA launch. Since these scholars are all very busy as economists in government, academia and the private sector, the task of organization building has been a slow one. Nonetheless, the links established by MESAA launch have led to increased cooperation among these young economists across the government and across the country.

Only one of the scholars from the original US-based activities finished a PhD this quarter: Dr. Thabo Mabogoane returned in late December from Syracuse University. His research is in the field of the economics of education. Dr. Mabogoane is actively seeking positions in Gauteng which will fully utilize his skills. Ten of the 70 original MESP scholars now remain in the United States.

MESP Project Management Specialist Mandlakazi Madaka and USAID Economist Nompilo Mali visited all three South African universities hosting the MESP local bursary programme during this quarter. Students who attended the MESAA launch and the annual DPRU/TIPS forum afterwards commented how much the experience added to their academic training. Students, professors and MESP managers discussed the fact that students were taking longer than anticipated to finish graduate studies. In some instances, once students completed coursework, they found unemployment and their pace in completing the required dissertation slowed considerably. It was decided that an additional semester of funding could be made available, if requested by the university, in order to support students to remain on campus and finish dissertations. During the site visits, advertisements and the quantity and quality of applications for the 2004 admission was discussed. The University of Cape Town, where 2003 numbers were well below the target, has advertised extensively among its own undergraduate students and was very hopeful that the 2004 intake would meet the targets and that both the labour and trade field would have good enrollment. Stellenbosch applications had been low, and Natal anticipated about the same number of students as last year. The University of Natal (to be consolidated with

another university in Durban and renamed the University of Kwa-Zulu/Natal on 1 January 2004) requested permission to institute a two-year Masters' degree from Bachelors programme (like UCT's) in order to attract and retain students who otherwise were lured away by employment opportunities after completing first degrees. This programme change was endorsed since the total expenditure on bursaries remained below target, and in order for the university to attract and retain the best students.

SUPPORT TO GOVERNMENT ACTIVITIES (SEGA)

RESEARCH ON THE ECONOMIC IMPACT OF HIV AND AIDS

Results of a second round of research commissioned on the economic impact of HIV/AIDS were presented at a workshop in Pretoria in November. The results generated significant debate among the approximately 80 stakeholders who attended, and reached a broader audience through extensive print and electronic media coverage. The papers presented and research highlights are discussed at more length in the appendix. In the workshop feedback, one participant praised how "...real cogent challenges were voiced in a professional and open manner...".

The workshop was hosted by Nathan Associates and SEGA/MESP subcontractor the Joint Center for Economic and Political Studies. The Joint Center coordinated the research and the technical assistance to researchers on behalf of USAID and SEGA/MESP, and also for AusAID and DFID, since the programme's inception in 2000. However, the Joint Center withdrew as a SEGA/MESP subcontractor as of the end of December and Nathan Associates will directly manage USAID's economics team's future research on the economic impact of HIV/AIDS. A new group, comprised of technical advisors on the project, called the Joint Economic AIDS and Poverty Programme (JEAPP), will manage the other donors' research activities and will provide technical assistance and further expand links with stakeholders in government and the private sector. We are looking forward to this new partnership moving the programme into a new more implementation-focused stage. JEAPP are also exploring possibilities of other donor support. The papers presented at the November workshop are being finalized and will be published on the JEAPP website: www.jeapp.org.za.

A third round of research into the economic impact of HIV and AIDS was advertised in the middle of the year, and a selection committee of donors, technical advisors and government stakeholders met in September to choose approximately seven new studies. The SEGA/MESP project will likely fund a study on the health service burden of the pandemic (impact on health service personnel), an evaluation of home community based care (HCBC) and the continuation of the University of Free State household survey. Negotiations with research teams have been ongoing and contracts are expected to be finalized soon.

TECHNICAL ASSISTANCE FOR GOVERNMENT

Numerous activities for government progressed over the quarter. These are arranged by the primary government partner.

The Department of Trade and Industry (the dti)

Credit Law Reform and Other Work with the Micro Finance Regulatory Council

The 'Credit Law Review' is making excellent progress. The report of the task team was delivered to the dti and other ministries and stakeholders at a high level have been briefed about the process. New legislation is being drafted that may radically improve lower income individuals' access to finance under market-let conditions. SEGA/MESP supports a consultant at the dti who has consolidated the credit law research and is assisting with the process of stakeholder consultation. With a number of other initiatives in the finance sector, including the Financial Sector Charter, and explorations into second- and third-tier banking, the sector is geared for some fundamental changes in coming months and years.

The SEGA/MESP project is supporting the research behind the government task team on "Competition in the Banking Sector". The thorough analysis is looking like it will reinforce the impetus for legal and institutional reform. The task team will meet more intensively early next year. Another large study whose necessity was pointed out through the process of the Credit Law Review is a study of the residential property markets in South African townships. The hypothesis is that markets in townships are inefficient and result in capital being 'locked in'. SEGA/MESP is providing some support for this study, which is being cofunded by FinMark Trust, the Ford Foundation and the National Treasury.

New Campus Development

The development of the new campus for the dti is now visible to anyone traveling in the Sunnyside area of downtown Pretoria. The buildings have risen out of the ground to their three story height and the site now employs more than 1000 workers on a daily basis. Nathan Associates' Peter Aborn continues in his role as Project Champion, supported by the SEGA/MESP programme. This project is the first new government office building and the largest Public Private Partnership (PPP) since the end of apartheid. The Minister, Deputy Minister and Director General of the dti were joined by the Mayor of Tshwane, the USAID Mission Director Dirk Dijkerman and others at the first ribbon cutting for the campus in November. The project continues to assist the National Treasury's PPP Unit in refining the regulations and legislation around PPPs in South Africa. For example, new guidelines on Black Economic Empowerment in PPPs were unveiled this quarter that far exceed those in other government procurement. The dti site exceeds these targets in contract, and empowerment consultants continue to monitor the site to ensure that the targets are met in practice as well. Aborn's attentions have now turned towards ensuring the holistic development of the surrounding community. The goal of having the ministry move in before the 10th anniversary of democracy in April 2004 is still realizable.

South African Institute for International Affairs (SAIIA)

SAIIA's Development through Trade project, cofunded by USAID's SEGA/MESP project and DFID, had made great strides during the quarter in production and dissemination of timely research and engaging a broader community of stakeholders on trade-related issues. During the

quarter, numerous opinion pieces were published in the press and two major reports were finalized: “Africa after Cancun: Trade Negotiations in Uncertain Times”, by Peter Draper, and “Africa, Special and Differential Treatment, and the Doha Development Agenda” by Peter Draper and Nkululeko Kumalo. Mr. Kumalo is an LLM student from the University of the Western Cape, who has been an intern on the SAIIA project this quarter. The “Africa after Cancun” paper was launched at a SAIIA workshop in December, with very good attendance by business and other stakeholders. The project can take some direct credit for heightening the level and tone of debate on trade issues in South Africa. In a letter about the project, Tshediso Matona, dti’s Deputy Director-General for International Trade and Economic Development, said “I have no doubt that this is good work that is helping keep the trade policy discourse in the public domain in this country and outside, as a subject that is on the global agenda with all its implications for developing countries like ourselves and our region.”

South African Internet Economic Study

This study on internet usage among South African firms was finalized this quarter. The study surveyed 465 small and medium enterprises in three urban areas (Durban, Gauteng, Cape Town) and a few rural areas. Durban was revealed as the “surfer’s paradise” with only 6.5% of firms surveyed not connected to the internet. In Cape Town, the comparable figure was 10.4% and in Gauteng 8.1%. The study revealed a lack of knowledge on how to successfully market a business via the Internet, very little e-commerce knowledge and therefore very little e-commerce activity, and a perception that the Internet and e-commerce is very costly.

Department of Labour

A group sponsored by SEGA/MESP grants programme (managed by the Joint Center), the Disabled People of South Africa worked together with the Department of Labour over the last year to finalize the Technical Assistance Guidelines on the Employment of Persons with Disabilities. The publication is a guide to assist employers comply with the stipulations of the Employment Equity Act as it related to the employment of people with disabilities. The guideline was officially launched by the Minister of Labour in early November. This concludes a long collaboration with the South African Department of Labour in the area of employment equity.

Department of Land Affairs

Capacity building activities for the South African Department of Land Affairs (DLA), Tenure Directorate, continued this quarter. The two South African consultants employed by Nathan Associates, Jomo Ntuli and Feziwe Jaji, continued to make valuable contributions to the tasks of communal property association formation and directorate systems design. The Department has now advertised for four new full-time positions, and these consultants are strong candidates for these positions.

The Directorate was very busy during this quarter since the long-awaited Communal Land Rights Bill was approved by Cabinet and submitted to Parliament. The bill is designed to provide security of tenure for the more than 13 million South Africans living on communally held land, primarily in the former homeland areas. The bill provides for eventual private ownership of the land, and for institutions known as land rights board to implement the policies. Because the bill tabled contained some last-minute changes which many activists felt gave undo power to traditional leaders, particularly in KwaZulu Natal, there was very active debate in the

Parliamentary subcommittees. The vote was passed by the subcommittee and will be voted on in the National Assembly and the National Council of Provinces upon their return in early 2004.

Work with the DLA and the University of Wisconsin's Land Tenure Center on the synthesis and publication of materials from the land tenure conference continued and the final publication has been delayed and is now anticipated in March. The updated volume will provide an excellent consolidation of materials still very relevant for the continued debate about land tenure on communal areas, and on tenure rights for labourers on commercial farms.

For 2004, the directorate's self-proscribed first priority is the design and implementation of an alternative dispute resolution (ADR) mechanism for land-related issues. It is envisioned that the ADR mechanism will first be applied to the ESTA/LTA disputes (labour tenants issues) and subsequently rolled out to all land-related contentions. The SEGA/MESP programme is supporting three sets of researchers in three provinces to conduct systems design exploration. These groups interact regularly with the DLA. USAID's Dr. Neal Cohen and Nathan Associates Dan Swift are members of the design discussion panel. SEGA/MESP is also funding the principle design consultants on a short-term basis, although DLA will fund their on-going participation in the system design and implementation.

National Treasury

Most short-term training under SEGA/MESP has been curtailed due to lack of funding. However, ongoing training for National Treasury provincial and national officials in performance budgeting has continued. In October, 16 Treasury officials attended one and two week courses offered at the University of Cape Town by AFReC, on the new legislative environment, public private partnerships, and other issues directly related to their work.

Parliament

As a result of exchange rate movements last year, the USAID budget allocated to the Association of Public Accounts Committees (APAC) was exhausted by the production of the booklet entitled "Effective Public Accounts Committees: A Best Practice Handbook for Public Accounts Committees in South Africa". The EU sponsored a reprint of the book for distribution throughout Parliament. APAC has submitted a list of possible new activities for consideration, and it is possible that USAID's Democracy and Governance Office will fund the future research using anti-corruption allocations.

The Parliamentarians involved in the longer-term economics training forged away with a tremendously busy class schedule this semester. The innovative programme of economic policy capacity building for Parliamentarians is implemented by the local research group the Economic Policy Research Institute, in partnership with the University of the Western Cape's Department of Economics. It was initiated under SEGA/MESP, was funded in an interim period by another contractor with excess funding, and has returned to SEGA/MESP funding this quarter. In November 2003, EPRI convened a graduation celebration for the 37 participants who had successfully completed the one-year UNISA "Certificate in Economic Principles" course. These MPs have moved into an Advanced Diploma in Economic Policy through the University of the Western Cape. Final exams were held in December, with some rewrites in January, and it is hoped that 35 of the Parliamentarians will graduate from UWC as "Diplomats" in March 2004.

A second intake of Parliamentarians began the UNISA course in 2003 and finished up exams during this period. Among the group of 20 who participated, the pass rate was lower this year.

Except for exam rewrites and graduation, programme activities will be suspended next quarter as the country moves towards the National Election. The stakeholders (Parliament, EPRI, UWC, USAID and Nathan Associates) have begun discussions on initiation of activities with the new Parliament after elections.

Intellectual Property and Technology Transfer Project

This project picked up pace with the appointment of an executive director for the local group the Southern African Research and Innovation Managers Association (SARIMA) from 1 November. Co-funding of R800,000 from the Department of Science and Technology was pledged for the SARIMA programme. The director, Ms. Diana Coates, attended the Society of Research Administrator's conference in Pittsburgh in late October. The conference was a valuable learning and networking opportunity. Particular note was taken of NIH administrative compliance issues, as South African universities are recipients of large grants, and 50 copies of NHI CDs on grant administration were brought back to South Africa and distributed to key institutions. Also during the quarter, plans for the SARIMA 2004 annual meeting and conference, to be held in conjunction with the Association of Commonwealth Universities in May in Cape Town, moved ahead. The conference theme will be "Research: An Agent for Global Transformation and Development", and it will include sessions on "profiting from research: opportunities and pitfalls of commercialization", "contribution of research to society", "research as a career", and "developing the profession of research and innovation management".

In November, SARIMA cosponsored a workshop with the South African Medical Research Council (MRC) and the UK's Centre for the Management of Intellectual Property in Health Research and Development (MIHR) entitled "Good Practice in Intellectual Property Strategies for Research and Development Institutions". This was the first conference specifically for technology transfer managers held in South Africa. Technology managers from various academic institutions and government (science councils, etc) received a MIHR best-practices handbook and raved about the expertise and practical lessons offered by the range of international experts. After the MIHR conference, the Innovation Fund Commercialisation Office (IFCO) ran a technology transfer office accreditation review in order to accredit South African institutions to assist with the commercialization of projects funded by the Innovation Fund. Seven leading institutions made presentations, and the international experts noted weakness of all to undertake market intelligence. In order to meet these problems, SARIMA and IFCO are designing specific targeted training opportunities.

Final comments on the report by US-based group the International Intellectual Property Institute (IPI) on the state of the South African technology transfer system, and the applicability of some of the US experience are being incorporated. The final report will be published early in the year and distributed by SARIMA. In October, SARIMA Board Member Professor Tony Bunn (Director, Technology Development and Transfer, Medical Research Council) received co-funding from the SEGA/MESP project to attend a large international conference sponsored by IPI on intellectual property and public health issue in Washington, DC.

Publication of the Ten Year Review

In October, the Office of the Presidency published a book entitled Towards a Ten Year Review. The publication was a synthesis of a large number of in-depth studies that looked at pressing issues in the field of economics, social and political issues. The SEGA/MESP project funded three of the economics studies that related directly to our programme activities. These were: “Effects of Macro Policies on the Real Economy” by Dirk van Seventer (TIPS) and Rob Davies (University of Zimbabwe), “Savings, Borrowing and Consumption Over the Post-Apartheid Period” by Murray Leibbrandt (UCT, on leave at University of Michigan), David Lam, James Levinsohn, and Cally Ardington, and “Review of Land Redistribution and Tenure Programmes in South Africa” by Prof. H.O. Kaya, Prof S.A. Materechera, Dr. M. Palamuleni (UniWest).

SUPPORT TO A CENTER OF EXCELLENCE IN ECONOMICS TRAINING AND RESEARCH AT THE UNIVERSITY OF THE WESTERN CAPE

UWC’s fadtru is described at length in previous reports. SEGA/MESP support is declining and the programme is moving towards sustainability. Most of fadtru staff members are now hired directly by the university and payments are also handled via the university system. Support from the Carnegie Foundation for the Masters degree in International Trade and Investment and from Fort Hare to fund some of the economics literacy courses has brought new ideas and enthusiasm to the department. During this quarter, two weeks of the Project Appraisal Analysis Course were offered to government officials from the agricultural department in the Eastern Cape and the education department of KwaZulu Natal. Professors Adams and Huda attended the 56th International Atlantic Economic Conference in Quebec City in October and presented papers. Work on guide to economic literacy book from the lessons learned after years of teaching the topic is continuing, as is a water research project.

APPENDIX

SUMMARIES OF FINDINGS ON THE ECONOMIC IMPACT OF HIV AND AIDS

HOUSEHOLD SURVEYS

1. Economic Policy Research Institute (EPRI), with Veni Naidoo: A Pilot Study of the Impact of HIV/AIDS on Income-Earning Urban Household Economies in South Africa: A Township Case Study of Households where Women Utilize Health Services. (USAID-funded)

This longitudinal study sought to contribute towards the development of a methodology for investigating the impact of HIV/AIDS on income-earning South African households in which at least one woman had utilized a health facility and had been diagnosed as HIV positive.

Households that participated in the study were purposively selected. To facilitate comparative analyses, about half of the participating households consisted of a woman who had attended a health facility and had been found to be infected with the HI virus; the other half did not have any member that presented symptoms of HIV infection. Data were collected in four waves over

a period of one year. A structured interview instrument was utilized to collect the data. Data on a total of 113 households collected over the four waves were analyzed for purposes of this study.

Summary of Key Findings

- ❑ Affected households were 85% more likely to have at least one member “disabled,” that is deemed medically unfit to work.
- ❑ Affected households reported proportionately less earned monthly regular household income and significantly more non-market income (particularly social grants) than non-affected households.
- ❑ Over time, the up-take rate of grants significantly increased in affected households compared to non-affected households.
- ❑ Expenditure on food, telephone, personal care, medical expenses and funerals was significantly higher for affected households than for non-affected households.
- ❑ Affected household were found to save less, borrow more, to be more likely to sell their assets and to depend on relatives and non-relatives for help more than their non-affected counterparts.

2. Centre for Health Systems Research and Development (CHSR & D): The socio-economic impact of HIV /AIDS on households in South Africa: Pilot study in Thabong (Welkom) and Qwaqwa. (USAID funded)

This research was designed to:

- ❑ develop and test a methodology for assessing the socio-economic impact of HIV/AIDS at the household level in an urban (Thabong) and a rural (Qwaqwa) setting,
- ❑ identify and evaluate the different formal and informal coping strategies and support systems available to individuals, households and communities as well as their impact on the affected households’ quality of life in both urban and rural settings, and finally,
- ❑ propose interventions for improving the quality of life of households in urban and rural communities.

A total of 400 households participated in the study. Two hundred of the households had an HIV-positive member while the other two hundred households (that served as the control) did not. The study was designed such that a total of 6 data collection waves would be undertaken. The preliminary findings presented are from the analyses of data collected in waves 1 through 4.

Summary of Key Findings

- ❑ Affected households were relatively more dependent on non-employment sources of income compared to non-affected households.
- ❑ Poorer affected households were more likely to be dependent on non-employment incomes and remittances compared to their more affluent counterparts.
- ❑ Affected households that had experienced illness or death on two or more occasions were more likely to have borrowed money.
- ❑ Affected households, on average, saved approximately 40% less than non-affected households.

- Social grants, particularly the old age pension, were shown to mitigate the socio-economic impact of HIV/AIDS. Smaller grants, such as the child support grant, did not seem to make much of a difference in terms of the quality of life of affected households.

Additional project outputs

A total of 7 articles published and 7 presentations made at conferences are attributable to this project.

STUDIES ON THE IMPACT ON EDUCATION

3. Health and Development Africa (HDA): Quantifying the impacts of death, illness and other household factors on the education system at local level: Implications for HIV/AIDS (DFID funded)

The primary aims of this survey were to:

- Describe and quantify the strengths, weaknesses and areas of vulnerability of schools in functional areas in which HIV/AIDS is likely to have an impact,
- Quantify currently experienced levels of impact of HIV/AIDS at local level.
- Describe current responses and priorities for response, and
- Identify local level sites and baseline data which can be used for ongoing surveillance of behavioural and other markers of HIV/AIDS risk and impact

Data for this cross-sectional study were collected from a randomly-selected sample comprising 243 schools in two provinces: Limpopo and the Free State. A principal and a teacher from each of the 243 schools participated, making a total of 486 teacher respondents. Additional data were collected from a total of 1 485 learners. While questionnaires were administered in one-on-one settings for the teachers' sample, the learners' instrument was self-administered under exam-like conditions.

Summary of Key Findings

- Children who had experienced a maternal death within the previous three years were more likely to exhibit erratic school attendance.
- In addition to orphans, children from families that had experienced recent chronic illness, those from households that had either taken in children from other households or had had children transferred to other households, as well as those from larger and poorer families were also found to be more adversely impacted.
- Contrary to expectations, educator deaths were not the major contributor to educator attrition in the schools in the two provinces.

Additional project outputs

A presentation on preliminary findings of the study was made to the National Department of Education on 19 November 2003.

4. Centre for Health Systems Research and Development (CHSR & D): The impact of the HIV/AIDS epidemic on the University of the Free State: Magnitude, implications and management (USAID funded)

The study sought to:

- ❑ audit and assess the responses of the Universities of the Free State and Qwaqwa to the HIV/AIDS pandemic
- ❑ determine the universities' levels of susceptibility to the impact of HIV/AIDS
- ❑ ascertain student and employee needs relative to HIV and AIDS at the two institutions as well as their views on how these could be best addressed
- ❑ make projections on the incidence and impact of HIV/AIDS on the universities
- ❑ develop recommendations for the strategic management of HIV/AIDS on the basis of the findings

Separate focus group discussions were conducted with students and with employees.

Participants in the focus group discussions were randomly selected and, where appropriate, stratified for gender, age and population group. Epidemiological demographic modeling was used to make relevant projections.

Summary of preliminary findings

- ❑ The universities' response to HIV/AIDS was found to be inadequate as it focused largely on prevention (information dissemination and condom distribution) and disregarded management of the disease and treatment.
- ❑ Prevalence rates among both students and staff were found to be higher at the Qwaqwa campus than at the UFS campus.
- ❑ Data suggested that HIV/AIDS would exert substantial economic pressure on the universities if decisive action was not taken to mitigate the impact.
- ❑ Employees at the Qwaqwa campus were more likely to have experienced the impacts of HIV/AIDS than those at the UFS campus. In general, employees were not aware of any support services being offered by the universities.

Current project status

Work on the project is ongoing following a recommendation by the technical assistance team to have the methodology re-examined and an extension granted in order to allow additional time to address the methodological issues identified. This project has been transferred to Nathan Associates.

STUDIES OF THE IMPACT ON LABOUR

5. Human Sciences Research Council (HSRC): Developing methodologies to assess the impact of HIV/AIDS on labour supply and the implications for critical economic sectors (DFID funded)

The aims of the study were:

- ❑ To contribute to the development of methodologies for analyzing the impact of HIV/AIDS on economic sectors.
- ❑ To develop methodologies for conducting sector surveys and other baseline data so as to reduce dependence on demographic models

- ❑ To determine the validity of economic modeling for studies examining HIV/AIDS prevalence
- ❑ To develop a scientific model for conducting cost-benefit analyses of interventions aimed at mitigating the impacts of HIV and AIDS

The review and critique of existing literature around the identified issues comprised a significant part of this work. On the basis of the literature reviewed, an HIV/AIDS sector modeling approach was advanced.

The modeling approach developed entailed extrapolating the various risk groups from a standard run of the ASSA2000lite model. The results of a standard projection were then distributed into socio-economic risk groups based on four educational strata, employment status, age and sex. The results were used to construct the overlay for extrapolation onto skills groups in economic sectors. The annual results providing rates for prevalence, AIDS sick, AIDS mortality, and normal mortality by education, employment status, population group, age and sex were then multiplied by the sectoral population breakdown. This resulted in a breakdown of HIV prevalence, AIDS sick, AIDS mortality and normal mortality over the selected years.

Summary of Key Findings

- ❑ In general, the results confirmed existing trends with the Mining and Agriculture sectors demonstrating the highest prevalence rates.
- ❑ The results obtained for the auto industry did not corroborate the results from limited company sero-prevalence data that were in the public domain.
- ❑ The variables “education” and “race” appeared to skew the data. The need to further scrutinize the relationship between these variables and HIV status as well as to include in the equation other factors such as migration, household structure and community risks was indicated.

6. Development Policy Research Unit (DPRU): Poverty and labour markets of HIV+ households: An exploratory methodological analysis (DFID funded)

This study sought to:

- ❑ develop an innovative method of using available data to simulate the impact of HIV on households and individuals and its relationship to poverty and labour markets.
- ❑ conduct a tentative analysis of the relationship between HIV status, poverty and labour markets
- ❑ investigate the impact of the HIV epidemic on young pregnant women attending public sector clinics

Secondary analyses were conducted on data from the 1999 October Household Survey and on the National Department of Health’s Antenatal Clinic (ANC) data.

Summary of Key Findings

- ❑ The results suggested a relationship between HIV status and poverty among young pregnant women. The HIV-positive cohort tended to live in poorer households compared to their non-infected counterparts.

- ❑ The analyses further indicated differential labour market access between the two groups. Furthermore, if at all employed, a larger proportion of HIV-positive women were employed in the informal sector. Even if employed in the same sector, HIV-negative women were found to earn higher wages than those infected with the HI virus.
- ❑ HIV-positive pregnant women were more likely to come from smaller households compared to their HIV-negative counterparts.
- ❑ HIV-positive women as a group were found to have access to more support overall in comparison with the HI virus free ones.

STUDY OF IMPACT ON GOVERNMENT FINANCE

7. IDASA – Budget Information Service: Budgeting for HIV/AIDS in South Africa: Report on intergovernmental funding for an integrated response in the social sector (AusAID funded)

- ❑ To examine trends in budgeting for HIV/AIDS in South Africa
- ❑ To analyze provincial capacity to spend funds allocated for HIV/AIDS interventions
- ❑ To examine current provincial spending procedures and their impact on the effectiveness of Conditional Grants (CG)
- ❑ To evaluate the effectiveness of channeling HIV/AIDS funds to the provinces via the equitable share grant

Official government budgets were analyzed. In addition, interviews were held with key national and provincial officials in social service departments and treasuries to complement information gathered from document reviews.

Summary of Key Findings

- ❑ Both national and provincial governments had increased their budget allocations to HIV/AIDS.
- ❑ Improvements in provincial spending of HIV/AIDS Conditional Grants were noted.
- ❑ Capacity deficits in some instances hampered effective expenditure. This was particularly noted in the area of Life Skills Education.
- ❑ Equitable share grants were found to be an appropriate channel for getting HIV/AIDS funds to the provinces. However, there were no systems for monitoring whether the funds were indeed being used for the purpose for which they were meant.
- ❑ Findings further suggested a need for the provinces to be granted more discretionary powers to allocate HIV/AIDS funds in accordance with their own provincial HIV/AIDS intervention policies, plans and strategies which might not be centered around their Departments of Health.

Additional project outputs

In addition to the final report, the following outputs were realized during this reporting period:

- ❑ Publication:

Ndlovu, N. (15 November 2003), *Where is HIV on the budget? Survey of 2003 provincial and social sector budgets.*

- Radio Interviews (6), Print and Electronic media coverage (5).

OTHER STUDY

Craig Hunter: Cooperating against HIV/AIDS: An exploration of the economic viability of cooperation between traditional practitioners and provincial health care providers in KwaZulu-Natal, South Africa (USAID funded)

This exploratory study sought to:

- explore the viability of genuine (reciprocal) cooperation between traditional and western medical practitioners in KwaZulu-Natal
- examine the role of traditional medical practitioners in preventing and counteracting the effects of HIV/AIDS in KwaZulu-Natal
- investigate the expenditure patterns on HIV/AIDS interventions and make a determination on how these would be affected by cooperation
- examine the impact of the training given to traditional medical practitioners on their willingness to cooperate with western health care providers in the fight against the pandemic

To collect data for this study, interviews were carried out with traditional healers from three main regions in KwaZulu-Natal. The convenience sampling technique was used to select the interviewees. In addition, secondary analyses were performed on financial data from the AIDS Foundation of South Africa who had conducted the training of traditional healers from 1996 through 2001. The data included program specific expenditures as well as outcome-based measures of training effects. Furthermore, reviews of relevant documents compiled by independent parties on the AIDS Foundation of South Africa initiative were undertaken.

Summary of Key Findings

- The majority of traditional medical practitioners (over 90% in the case of inyangas/herbalists) reported being in favour of cooperating with western medical practitioners in curbing HIV/AIDS in the province.
- There was a positive correlation (.85) between having received training and believing in the value of cooperation between medical practitioners from the two backgrounds.
- The results further suggested that the time lag between initial visits to traditional healers (by patients presenting with HIV/AIDS symptoms) and referral to provincial health care facilities by traditional healers would be reduced if cooperation were to be standardized.
- The cost of cooperation was found to be substantially less than the cost of non-cooperation both in Rand terms and in lives that could be potentially saved through cooperation.