HEALTH AID in TRANSITION

A Review of the United States Agency for International Development (USAID)

THE CENTER FOR POLICY IMPACT IN GLOBAL HEALTH

October 2019

Summary

1. In 2017, USAID Administrator Mark Green instituted the *Journey to Self-Reliance* policy: the vision that a country is able to manage its own development challenges without the presence of foreign assistance. Although not specifically referred to as a transition policy, the self-reliance policy puts transition thinking at the heart of all USAID country policies and strategies.
2. Funding eligibility varies across sectors (e.g., it varies between the health and education sectors). Eligibility can also vary within sectors at the program-level (e.g., it varies between family planning and maternal and child health programs). Support within the health sector is primarily channeled to countries with the greatest need as defined by program-specific indicators.
3. Although USAID has exited countries, there is no unified transition approach across the agency.
4. USAID's Bureau for Global Health has transitioned countries out of program-specific support, with the bulk of these transitions occurring in the family planning program.
5. It is unclear how sector-specific and program-specific transitions may change in the era of "self-reliance."

Overview

The United States (U.S.) gives more aid in absolute terms than any other donor government; in 2018 its official development assistance (ODA) reached over US$30 billion.[1] The U.S. Agency for International Development (USAID) is the independent development aid agency of the U.S. government. USAID has two primary goals: to further America's interests and to improve lives in low- and middle-income countries.[2]

Global health is a major component of USAID's portfolio. In 2018, over a third of USAID's spending went to health and population programs.[3] USAID has a dedicated bureau to govern its health-related efforts, the Bureau for Global Health, which has three strategic priorities: preventing child and maternal deaths, controlling the HIV/AIDS epidemic, and combatting infectious disease.[4] These strategic priorities are reinforced by cross-cutting areas of support, such as health systems strengthening and accelerating innovation.[4]

Key Policies Related to Transition

Although USAID has transitioned out of several countries, currently there is no unified agency-wide approach to managing transitions. Historical reasons vary for USAID transitioning away from supporting a country and include the agency's budgetary constraints, its strategic considerations (e.g., prioritization of countries or sectors based on recipient need), achieving stated program goals, or safety concerns (e.g., civil wars).[5]

Progress and performance in global health are measured at the sector level rather than the country level, and therefore allocation and transition decisions are also sector-specific.[5] Within the Bureau for Global Health, individual health programs, such as family planning or maternal and child health, each have distinct criteria for funding support. Therefore, in the health sector, transitions are determined at the program-level rather than the sector level. Although not all

The 4Ds is a project led by the Center for Policy Impact in Global Health that focuses on integrated research across four major global health transitions: disease, demography, development assistance for health, and domestic resources for health.

health programs have transition policies or criteria, some health programs, including family planning and maternal and child health, have used explicit criteria to trigger country transitions.[6,7]

Presidential Policy Directive on Global Development

The Presidential Policy Directive on Global Development, commonly referred to as PPD-6, was a 2010 initiative that called for greater "selectivity." Selectivity referred to both the locations where USAID worked and the sectors of the agency's focus.[8] The ultimate goal of this policy was to maximize USAID's effectiveness and ensure better programmatic outcomes. This policy directive led to a number of USAID programs phasing out their country support. Although this policy directive no longer guides the agency, many transitions in recent years can be traced back to this prioritization policy.

The *Journey to Self-Reliance*

With the arrival of Administrator Mark Green in 2017, transitions have gained significant attention. Administrator Green announced the *Journey to Self-Reliance* policy in 2017 and has since been reorganizing the agency to support this new initiative. Self-reliance is the vision that a country is able to manage its own development challenges without the presence of foreign assistance.[9] Although not specifically called a transition policy, the *Journey to Self-Reliance* can be considered a way of putting transition thinking at the heart of all of USAID's country policies and strategies.

The overarching goal of the self-reliance policy is "ending the need for foreign assistance."[10] USAID does not, however, see self-reliance as synonymous with donor exit.[10] After the announcement of the new self-reliance framework, USAID clarified that self-reliance encourages both a change in the way USAID programs operate and a shift in the relationship that USAID has with the host country. USAID recently released its latest policy framework, which seeks to communicate this reorientation of its work around "fostering" self-reliance.[11]

A country's self-reliance is measured at a high level by two factors: country commitment and country capacity. Country commitment is defined as "the degree to which a country's laws, policies, actions, and informal governance mechanisms — such as cultures and norms — support progress towards self-reliance."[9] Country capacity is defined as "how far a country has come in its ability to manage its own development journey across the dimensions of political, social, and economic development, including the ability to work across these sectors."[9] USAID selected 17 publicly available indicators for routine monitoring to inform a country's self-reliance status (Table 1).

The indicators in Table 1 are used to create two "scores": one for country commitment and one for country capacity. These scores are derived by weighting each metric

Table 1: Overview of self-reliance metrics

Commitment metrics	Capacity metrics
Open and accountable governance • Liberal democracy • Open government **Inclusive development** • Social group equality • Economic gender gap **Economic policy** • Business environment • Trade freedom • Biodiversity and habitat protections	**Government capacity** • Government effectiveness • Efficiency of tax administration • Safety and security **Civil society capacity** • Civil society and media effectiveness **Citizen capacity** • Poverty rate • Education quality • Child health **Capacity of the economy** • Gross domestic product per capita (i.e., purchasing power parity) • Information and communication technology use • Export diversification

Table adapted from information found in reference 9.

within a category equally. Each score is from 0-1, from least to most advanced. These scores can be viewed in a country roadmap, which is developed annually for each country that USAID supports.[9] The roadmaps allow for comparison of scores between countries.

The self-reliance metrics in Table 1 will not be the only determinants for transition decision-making, but they will help to "inform strategic decisions," such as country strategies, and "to signal when USAID might consider a strategic transition."[9] USAID's strategic transitions are not necessarily synonymous with complete donor exit; they are, however, indicative of a need to change the relationship between the two partner countries (the U.S. and the host country), perhaps towards greater private sector engagement or technical assistance.[12]

Health Sector Transition Policy

Within the health sector, support is generally provided based on "need." The definition of need varies by health program (Box 1), but it is typically defined using one of the following metrics: disease burden, mortality rate, or coverage rate.

Health support, while primarily based on need, can also be informed by other factors such as the "commitment" of a recipient government (e.g. adopting a national malaria control policy consistent with international standards[13]), the feasibility of USAID working in a specific environment, and geopolitical considerations (Table 2).

Given the diverse indicators used within the Bureau for Global Health to determine funding, each program may focus on a different portfolio of countries. Transition planning also varies by health program.[6] Although USAID may close an entire mission, USAID health sector transitions can happen independently and pre-date such closures. There are different types of transitions that a health program may undergo, as outlined in Box 2. Although the impetus for each type of transition is distinct, ultimately each will have the same result: a discontinuation of USAID support for a particular health program.

1. **Malaria**: high malaria disease burden[13]
2. **Family planning**: total fertility rate and contraceptive prevalence rate[14]
3. **Maternal and child health**: "magnitude and severity of maternal and child deaths"[15]
4. **Nutrition**: percentage of stunting in children under five years[16]

Box 1: Examples of program-specific metrics used to define need

The Bureau for Global Health is currently developing how its strategy and planning will integrate the principles of self-reliance. However, the self-reliance framework will likely have implications for *how* the Bureau for Global Health operates rather than *what* the Bureau focuses on. It is unclear how the framework will affect transition planning for health program transitions since program-specific criteria are considered "supplementary" to the 17 self-reliance capacity and commitment indicators.[7]

Transition Status

No transition projections are currently publicly available for health programs. There is no clearly defined process for USAID to make these projections internally. However, the health sector does use technical indicators to drive program-specific support and therefore better performing countries with less "need" are more likely to transition than poor performing countries with greater "need."

Table 2: Example of non-need based eligibility criteria

Program	Criteria		
	Country commitment	Opportunity to leverage existing programs	Feasibility
President's Malaria Initiative (PMI)[13]	✓	✓	✓
Maternal and Child Health (MCH)[15]	✓	✓	✓
Nutrition[16]	✓		✓

Table adapted from information found in references 13, 15, and 16.

Although transitions have occurred among USAID health programs, the implementation of the PPD-6 narrowed the total number of countries receiving support. Therefore, countries that are currently supported by the health portfolio have greater need, making imminent transition planning unlikely for most currently supported countries, particularly those that are high-priority across all health programs.

Previous Transitions

Over the last 50 years, more than 65 USAID health programs have closed out (Figure 1).[6] Most of these transitions occurred within the family planning and maternal child health programs.

Family Planning

Family planning was the first health program to develop explicit transition criteria. In 2006, USAID's Global Health Office of Population and Reproductive Health wrote a technical note that identified clear graduation thresholds.[6] Graduates were selected through a data-driven process based on defined technical criteria, as shown in Table 3.[6,17] There were two different sets of criteria used depending on the transition timeline: one for imminent graduations (2-5 years) and one for longer-term graduations (4-10 years).[6] If all or most of the criteria outlined in Table 3 were met, then the office recommended that graduation plan-

Graduation: occurs "once certain thresholds of development or intended results have been attained" (i.e., some target has been achieved).

Phase-out: occurs when support is reduced over a finite period, "often as a consequence of resource constraints, instability, and economic or political considerations" (i.e., a circumstance presented to a country partner). During a phase-out, an intermediate step, usually called "phasing down," is when donors begin to transfer activities to local partners and reduce the funding amount. Although phase-outs are still planned and sometimes guided by a similar rationale as that for graduation (e.g., a mission achieves its goals), they do not necessarily have a comprehensive strategy governing the process. Phase-outs can also occur when a graduation is likely overdue and there is no longer a need for assistance.

Transition phase: the time between a decision to end support and exit is considered the transition phase. Specifically, "this period is one during which gains made under past programs should be consolidated, ongoing activities that are not contributing to program goals are removed from the strategy, and new activities are introduced only if they are necessary for successful graduation or phase-out."

Box 2: Terms used to describe USAID health programs transitions[6]

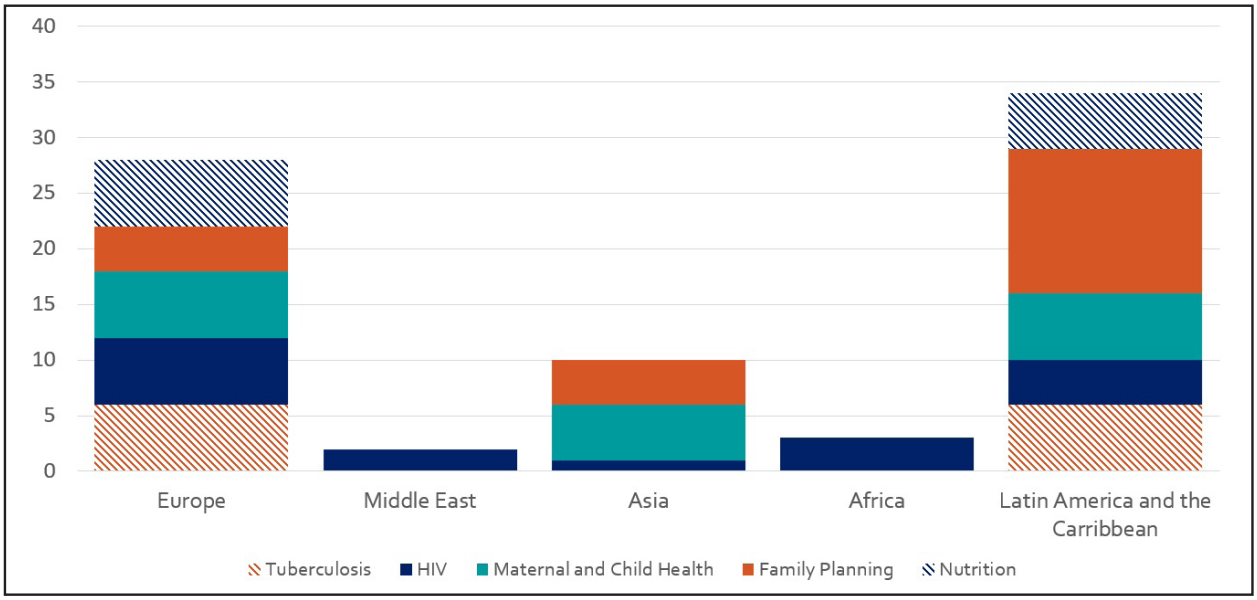

Figure 1: Health program closeouts 1976-2015
Table adapted from information found in reference 6.

ning should begin. Although several countries graduated from USAID family planning support prior to the release of the technical note, these graduations did not follow a formal strategy or specific criteria. A full list of countries graduated from family planning support is available in Table 4.

In preparation for family planning graduations, USAID conducted graduation readiness assessments to identify the phase that a country was in and determine how USAID needed to tailor its graduation approach to be context-specific. As part of the readiness assessment, USAID conducted country visits and met with relevant partners. The results of the assessment fed into the development of a context-specific graduation plan. Graduation planning focused on six main areas:

1) "contraceptive product security (uniformity and predictability for demand forecasting);
2) advocacy, policy dialogue, and political commitment (in contraceptive financing and in support of the overall family planning program);
3) data for decision making;
4) equity (e.g. special populations—rural, indigenous, and youth);
5) health reform; and
6) institutional capability and human resource development (including training in specific method provision, such as clinical methods)."[17]

After graduation, USAID conducted assessments to determine whether or not the transition could be considered a success.[17]

Maternal and Child Health (MCH)

In 2008, USAID's MCH program narrowed its country focus to 25 priority countries, triggering transitions for 26 countries.[6,18] The rationale for narrowing the number of countries was to focus USAID's work "in places where we can have the greatest impact."[18] However, the criteria used to trigger phase-down of MCH support was not as explicit as those used for family planning graduations and the process took place over a much shorter time duration. Essentially, MCH support phase-down meant that country budgets were reduced to zero. However, due to Congress' long budget approval timeline, countries were aware of their transitioning status one or two years in advance. During this time, USAID worked with these countries to program and phase-down remaining funds.

Although conversations on explicitly defining MCH graduation criteria have been ongoing at USAID for several years, no central policy was put in place to trigger graduations in the same way that there was for family planning. The failure to define an explicit policy was likely due to the perception that transitioning out of MCH support is equivalent to transitioning a country out of health support altogether.

Transition Learning

In 2012, several years after the Bureau for Global Health began to transition countries out of family planning support, USAID wrote two reports related to health sector transitions. One report focused on lessons learned from graduation while another elaborated on key steps identified in the literature for a deliberate USAID health graduation/phase-out.[6,19]

Table 3: Family planning graduation thresholds

Indicator	Imminent graduation threshold	Near-term graduation threshold
Primary thresholds to trigger graduation process		
Total fertility rate	Less than 3.0	Between 3.0 and 3.4
Modern-method contraceptive prevalence for married women of reproductive age	Greater than 55%	Between 48–55%
Achievement of the above thresholds will prompt an assessment of the indicators below		
% of population who can access at least three family planning methods within a reasonable distance	At least 80%	At least 70%
Maximum share of family planning products, services, and programs subsidized by USAID	No more than 20%	No more than 30%
Major service providers (public sector, NGO, and private commercial sector) meet and maintain standards of informed choice and quality of care	Meet and maintain	Generally meet and maintain

Table adapted from information found in reference 6.
Abbreviations: NGO=non-governmental organization

USAID found that there are four key factors for achieving health program sustainability: (i) country-led financing, (ii) policy and regulatory reform, (iii) institutional strengthening, and (iv) leadership and stewardship.[6] While not exhaustive, these key factors were part of its graduation planning. USAID also found that planning for a successful graduation can take a number of years, and that transition preparation efforts, such as cost-sharing and program handovers, take at least three to five years.[6]

USAID also developed five steps for "deliberate" USAID health sector transitions (i.e., a planned phenomenon based on attaining certain thresholds or goals):

1. good coordination and clear communication with all stakeholders;
2. development of a phase-out strategy with the host country's government and partners early in the process;
3. strengthening of existing or new collaborations for leaving a lasting USAID legacy in a country;
4. communication and documentation of program successes over the entire period of USAID assistance in a country; and
5. evaluation of the program or health sector element at the end of the assistance.[6]

Table 4: Family planning graduations by year

Year	Graduates
1976	South Korea
1988	Panama
1990s	Sri Lanka
1992	Tunisia
1993	Botswana, Thailand
1996	Costa Rica, Eswatini (Swaziland)
1997	Colombia
1999	Mexico*
2000	Brazil*
2001	Ecuador*
2002	Morocco*, Turkey
2007	Indonesia*, Romania
2009	Jamaica*
2010	Dominican Republic*
2011	South Africa, El Salvador*, Paraguay*
2012	Nicaragua*
2013	Honduras*, Peru*
2015	Albania, Ukraine*
Post-2015	Bangladesh, Zimbabwe

Table adapted from information found in reference 6.
*Completed family planning graduation strategy

In addition to these five steps, USAID also highlighted recommendations for other USAID missions in all sectors that might undergo transitions in the near future.[6]

It is unclear at this time whether or not graduation and phase-down guidance generated for transitions between 2008-2015 will continue in the era of "self-reliance," or if other metrics will be used to inform strategic transitions.

Transition Impact: Country Experiences

So far, no countries that graduated from USAID's family planning support have experienced backsliding in terms of coverage rates.[17] However, many of the previous graduates had fairly mature family planning programs at the time that their transitions occurred, and they were primarily receiving technical assistance when transitioning began. There has not been a formal evaluation of USAID's health specific programs to determine whether or not indicators have been maintained in the years after transition.

Outlook

USAID overall has seen a major transformation under Administrator Mark Green, who since 2017 has reconfigured the agency to center around the concept of self-reliance. Although much of the operationalization of this framework is still in process, this policy will likely affect how each of the sectors within USAID approach transitions.

The Bureau for Global Health has been a pioneer of transitions within the agency. However, it remains unclear to what extent the *Journey to Self-Reliance* will affect health sector and specific health program graduations. At this time, it is unlikely that there will be a comprehensive "whole health" transition strategy integrating all health programs; for the foreseeable future, transitions governance will likely continue to be determined at the health program-level.

Given the program-specific nature of health graduations, USAID has not yet developed a strategy for when it will end its support to a whole health program in a country. Furthermore, USAID does not currently see an urgent need to develop such a strategy, since the countries currently supported show high levels of health sector need. It is unlikely that the agency will exit from these countries any time soon.

Resources

1. Organization for Economic Cooperation and Development. Creditor Reporting System. 2019. Available from: https://stats.oecd.org/Index.aspx?DataSetCode=crs1
2. USAID. Who we are. 2019. Available from: https://www.usaid.gov/who-we-are
3. USAID. Foreign aid dashboard. 2019. Available from: https://explorer.usaid.gov/
4. USAID: What we do. 2019. Available from: https://www.usaid.gov/what-we-do/global-health
5. Jalles d'Orey MA, Prizzon A. Exit from Aid. 2019 Available from: https://www.odi.org/sites/odi.org.uk/files/resource-documents/12661.pdf
6. Chaudry, RG, Perkins S, Armstrong L, Patel B. Graduation and Phase-Out in the Health Sector: What Have We Learned? 2012. Available from: https://pdf.usaid.gov/pdf_docs/pbaaa917.pdf
7. USAID. Acting on the Call. 2018. Available from: https://www.usaid.gov/sites/default/files/2018ActingontheCall_508.pdf
8. U.S. Department of State. Presidential Policy Directive on Global Development. Available from: https://2009-2017.state.gov/ppd/index.htm
9. USAID. The Self-Reliance Metrics & Country Roadmaps. 2019. Available from: https://selfreliance.usaid.gov/
10. USAID. USAID Policy Framework: Ending the Need for Foreign Assistance. 2019. Available from: https://www.usaid.gov/sites/default/files/documents/1870/WEB_PF_Full_Report_FINAL_10Apr2019.pdf
11. USAID. USAID's Policy Framework. 2019. Available from: https://www.usaid.gov/PolicyFramework
12. Pelzman, Kerry. Global Health Transitions and Sustainable Solutions: The Role of Partnerships—A Workshop. 2018. Available from: http://www.nationalacademies.org/hmd/Activities/Global/PublicPrivatePartnershipsForum/2018-JUN-13/Day%201%20Videos/05%20Bilateral%20Approaches%20and%20Policies%20for%20Transitions/02%20Pelzman.aspx
13. PMI. Where We Work. 2019. Available from: https://www.pmi.gov/where-we-work
14. USAID. USAID FP/RH Priority, Assisted and Graduated Countries. 2019. Available from: https://www.usaid.gov/global-health/health-areas/family-planning/countries
15. USAID. Maternal and Child Health. 2019. Available from: https://www.usaid.gov/what-we-do/global-health/maternal-and-child-health
16. USAID. Countries. 2019. Available from: https://www.usaid.gov/global-health/health-areas/nutrition/countries
17. Shen AK, Farrell MM, Vandenbroucke MF, Fox E, Pablos-Mendez A. *Applying lessons learned from the USAID family planning graduation experience to the GAVI graduation process.* Health policy and planning. 2014 Jun 28;30(6):687-95.
18. USAID. Priority Countries. 2019. Available from: https://www.usaid.gov/global-health/health-areas/maternal-and-child-health/priority-countries
19. Chaudry RG, de Boer M, Perkins S, Patel B. Five Steps Towards Implementing a Deliberate Health Sector Element Phase-out. 2012. Available from: https://pdf.usaid.gov/pdf_docs/pnaed219.pdf

Funding and Authorship

The profile was written by authors at Duke University's Center for Policy Impact in Global Health (Kaci Kennedy McDade and Gavin Yamey) and Open Consultants (Marco Schäeferhoff). This profile was funded through a grant from the Bill & Melinda Gates Foundation to the Center for Policy Impact in Global Health, with a subcontract to Open Consultants. The Foundation played no role in writing the profile.

Methods

Our research included a desk-based review of donor websites, strategy documents, grey literature reports, and academic literature. We triangulated the findings of our desk review with key informant interviews with high-level policy personnel within each of the donor agencies. This project was screened for exemption by the Duke University Institutional Review Board as part of the study 'Driving health progress during disease, demographic, domestic finance and donor transitions (the "4Ds"): policy analysis and engagement with transitioning countries.'

The 4Ds is a project led by the Center for Policy Impact in Global Health that focuses on integrated research across four major global health transitions: disease, demography, development assistance for health, and domestic resources for health.