



NGO Social Contracting: Opportunities and Challenges

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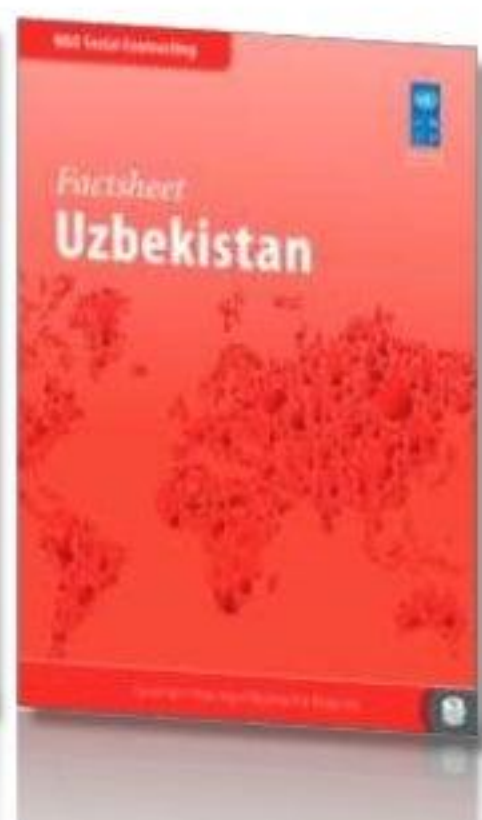
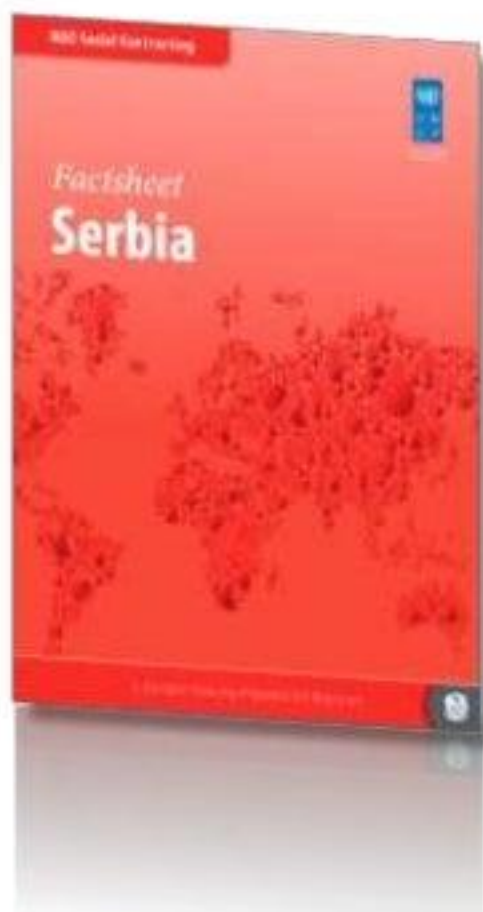
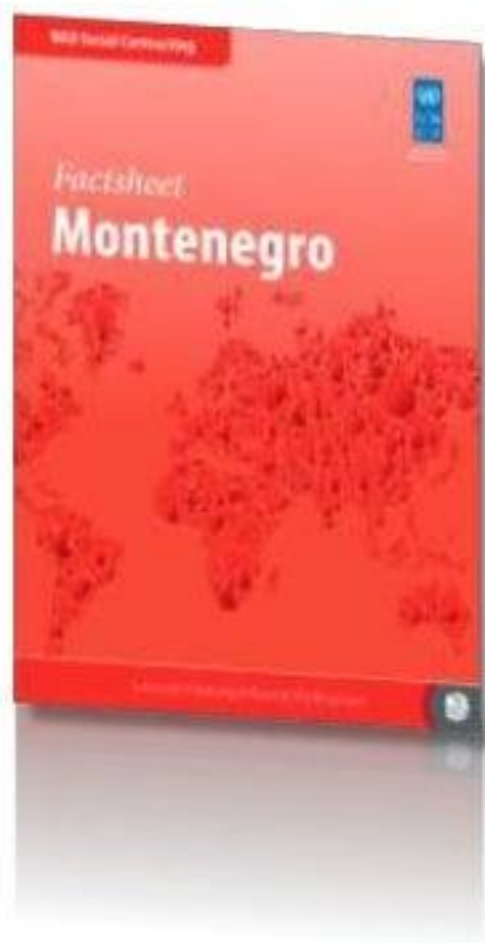
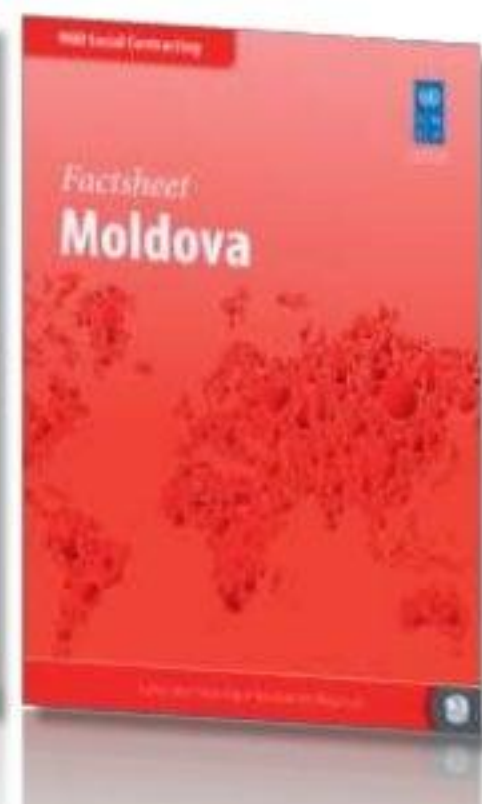
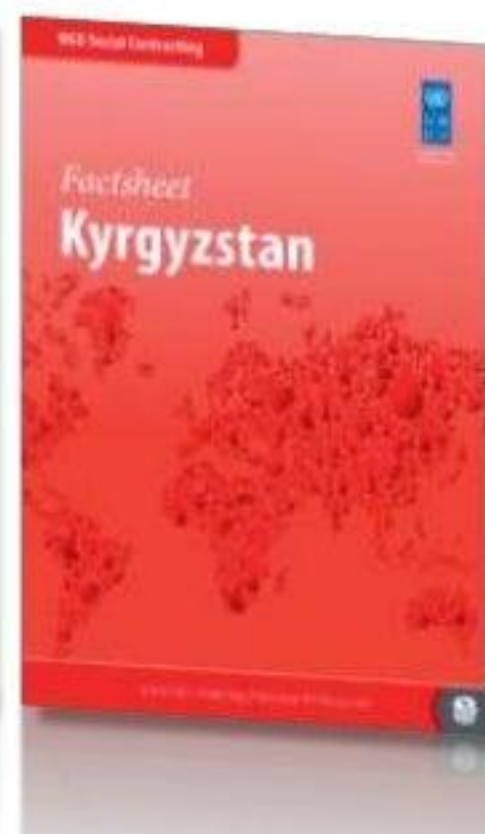
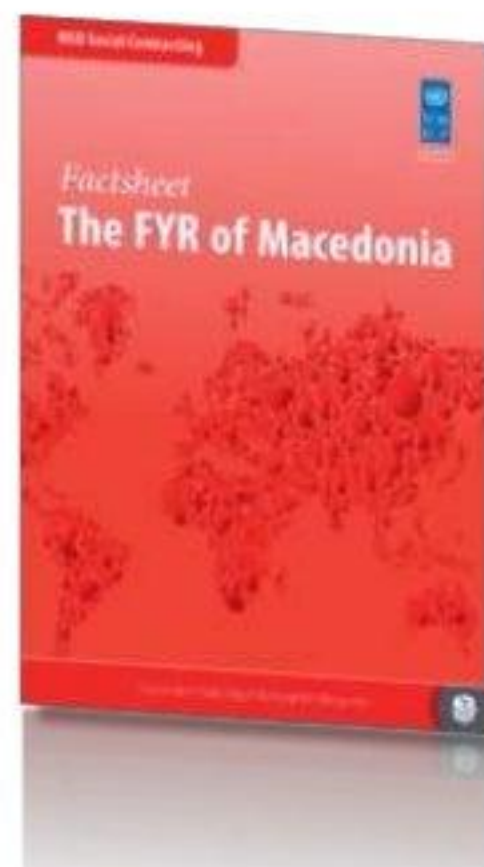
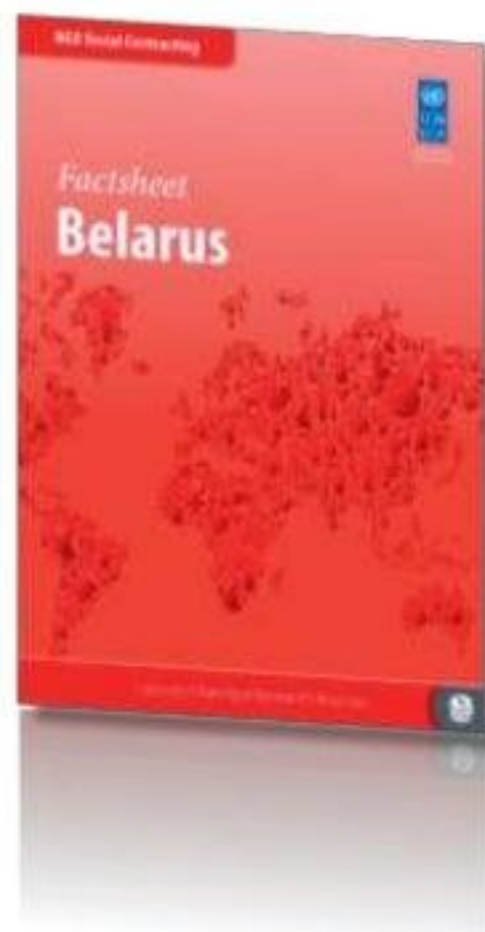
UNDP Istanbul Regional Hub; HIV, Health and Development

*HIV Investment Approach in EECA – Moving from analysis to action
Regional Meeting in Vienna, 23-25 February 2016*



Introduction

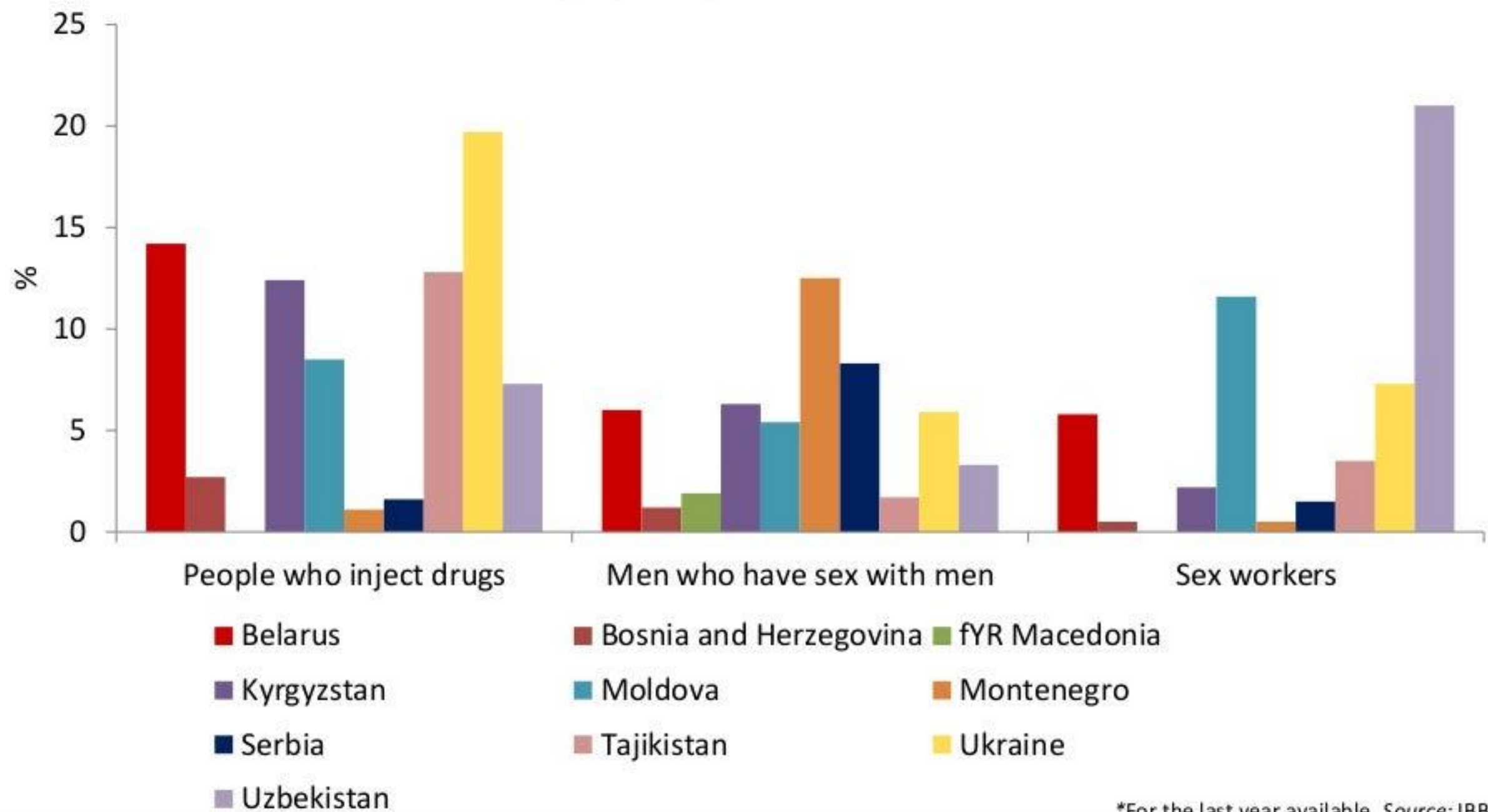
- Objective: to describe legal framework and current practice of social contracting between governments and NGOs in context of transition process towards domestic financing national HIV responses
- Joint work of UNDP and national stakeholders; collaboration with European Centre for Not-for-Profit Law (ECNL)



Structure

- HIV epidemiology in brief
- Legal and institutional aspects of the national HIV response and the role of NGOs
- NGO landscape in a country
- Contracting of NGOs under most recent GF grant
- Government social contracting to NGOs: Legal and regulatory frameworks
- Quality control and assurance
- Other prerequisites for service provision (licenses, special permissions, etc.)
- Government social contracting of NGOs: The practice
- Recommendations

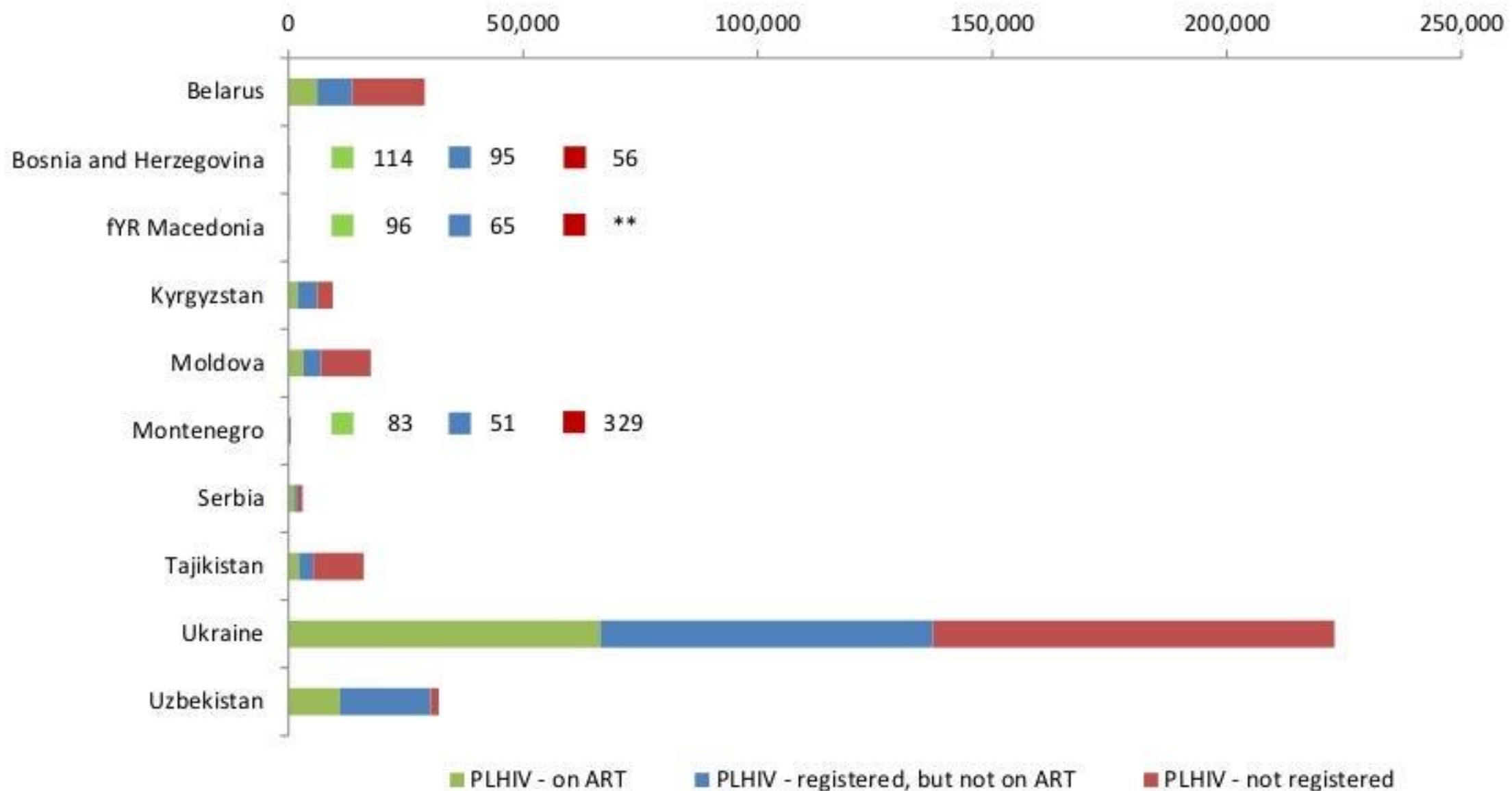
HIV prevalence - concentrated epidemics in key populations*



*For the last year available. Source: IBBS surveys



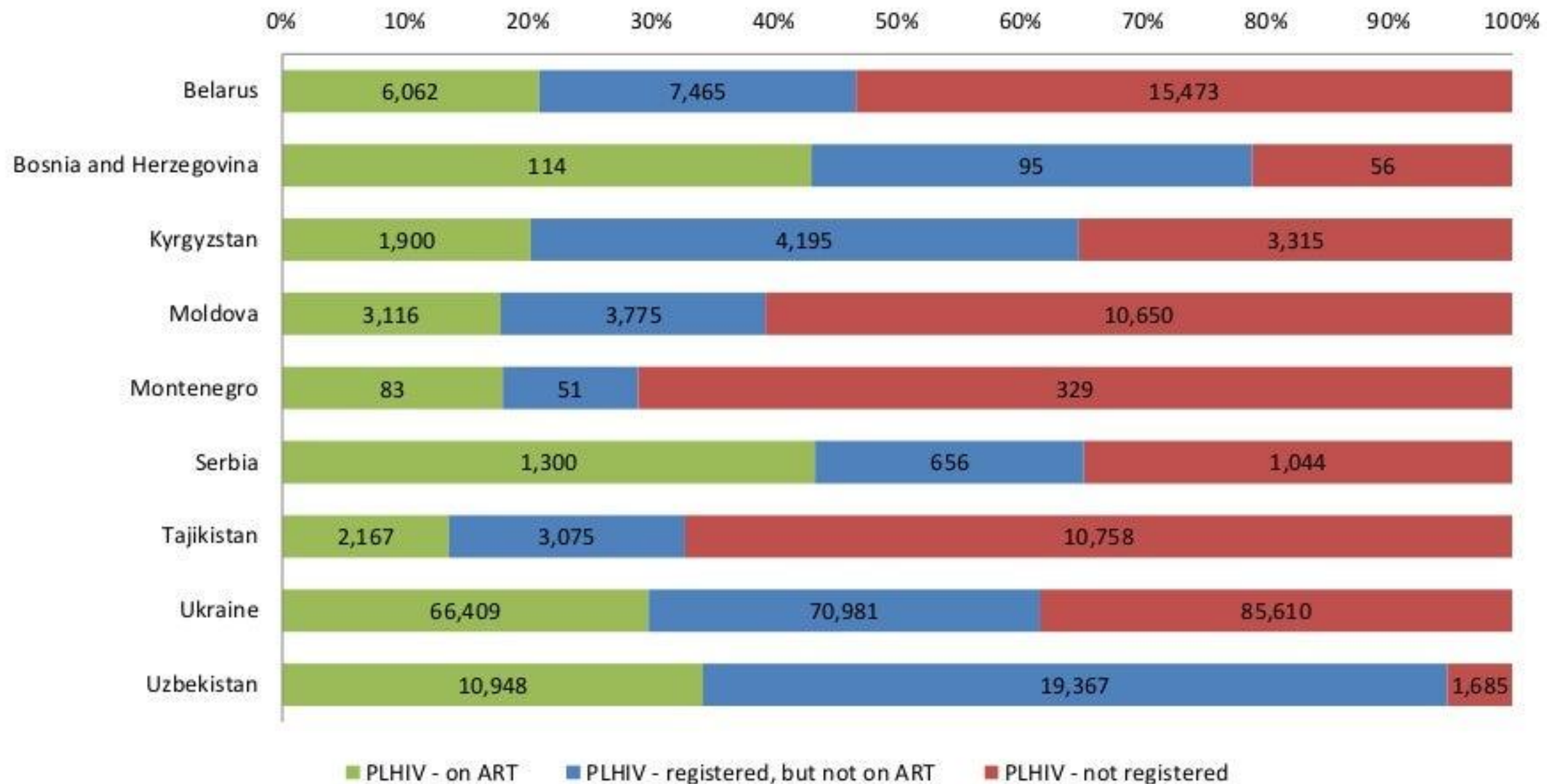
Number of people living with HIV*



*Data for the last year available. Source: national progress reports, UNAIDS



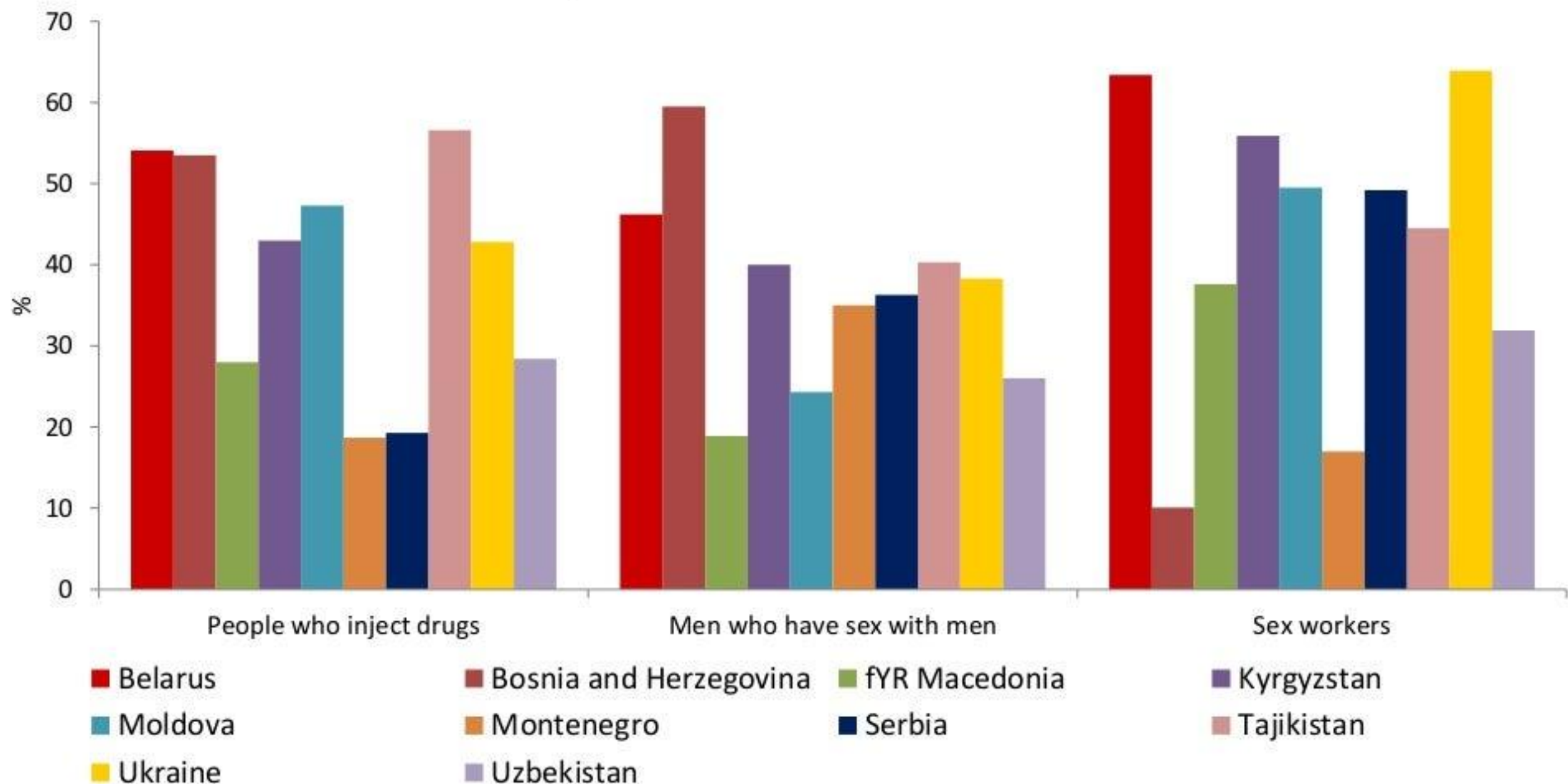
ART coverage*



*Data for the last year available. Estimated number of people living with HIV in FYR Macedonia were not available. Source: national progress reports, UNAIDS



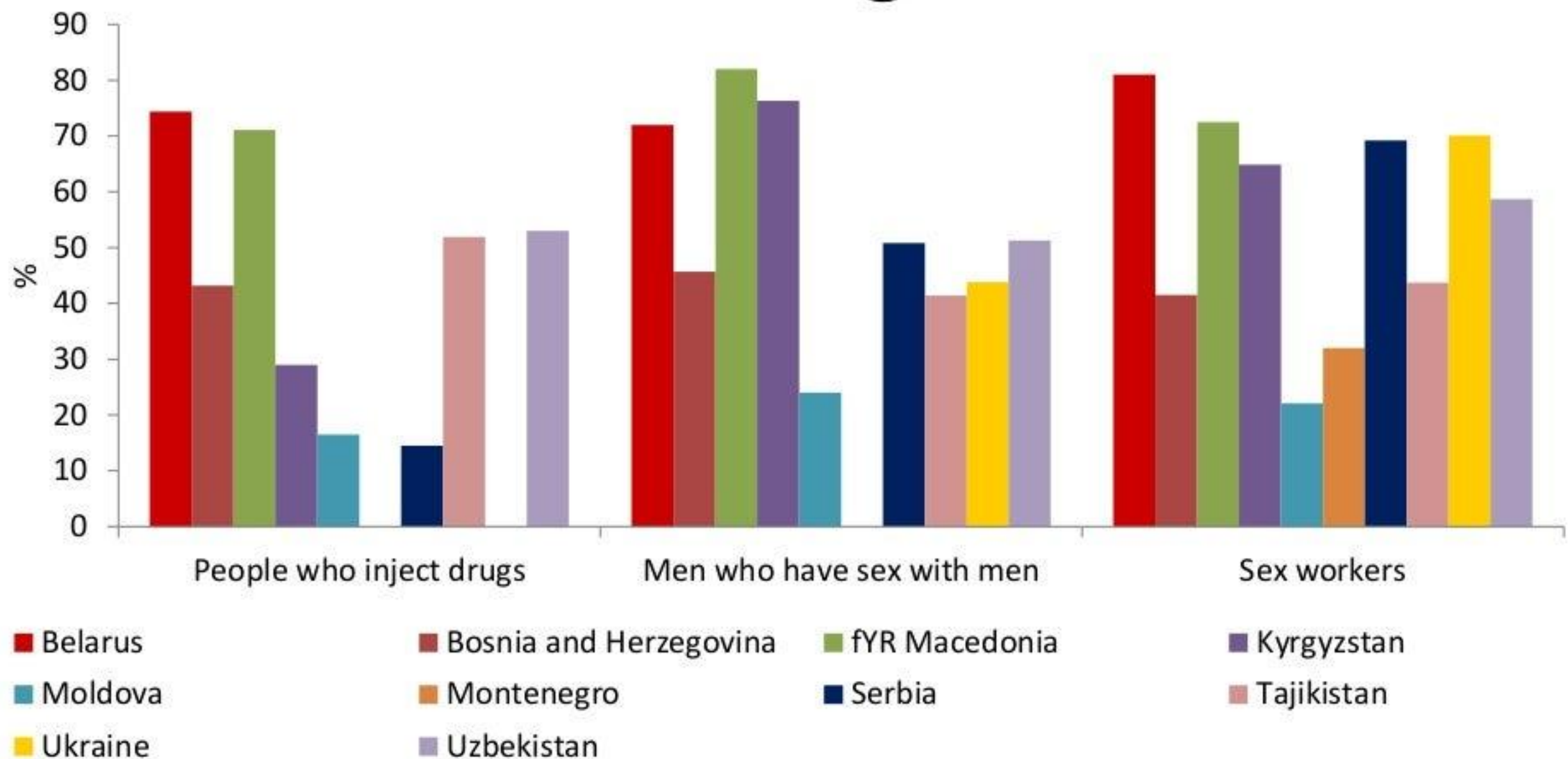
Estimated coverage of HIV testing in the past 12 months



Source: IBBS surveys for the last year available.



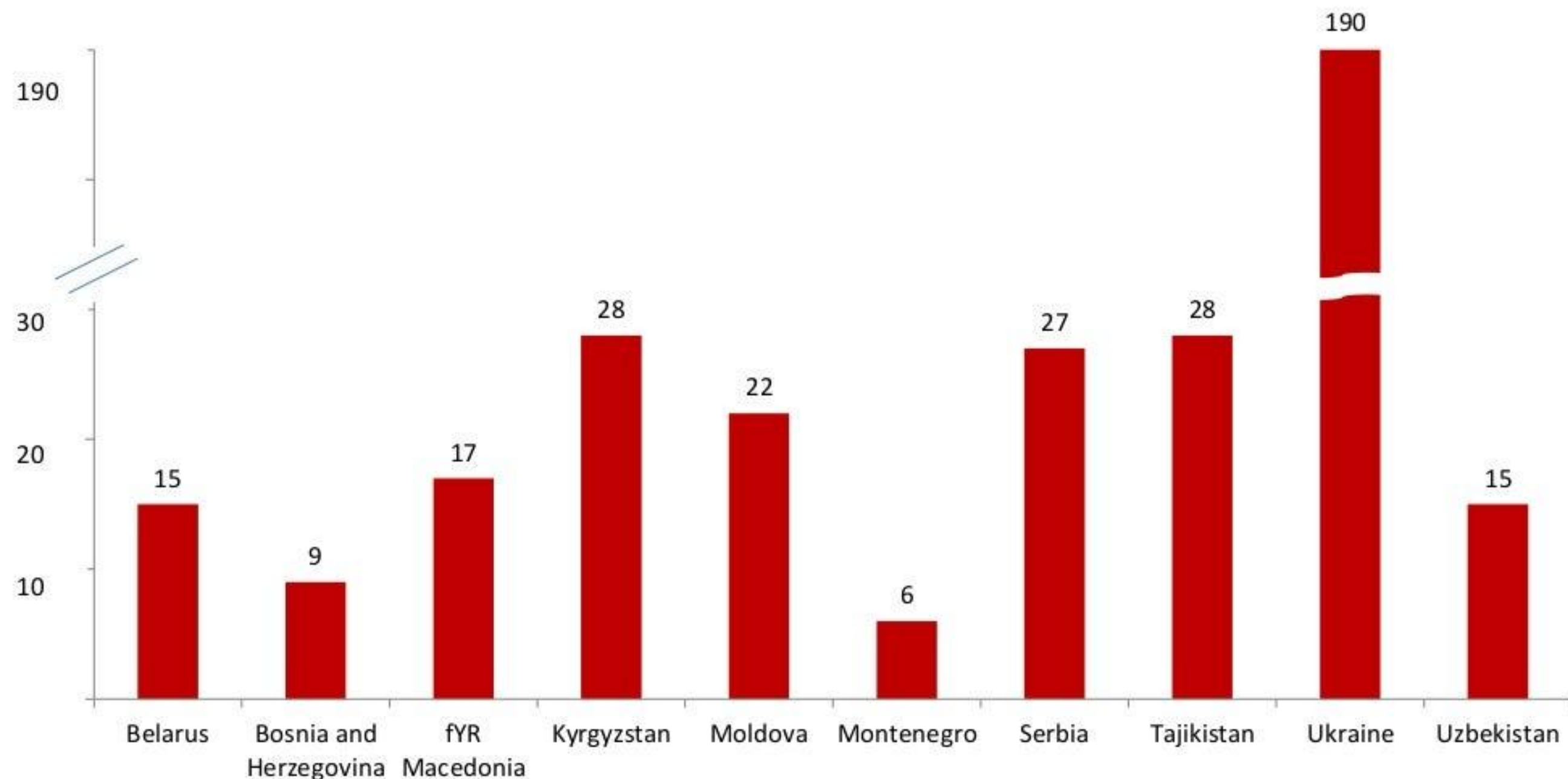
Estimated prevention programme coverage*



*Composition of programmes might differ from country to country. Estimated number of people who inject drugs and men who have sex with men in Montenegro are not available. Source: IBBS surveys, estimation of population size surveys and national reports for the last year available.



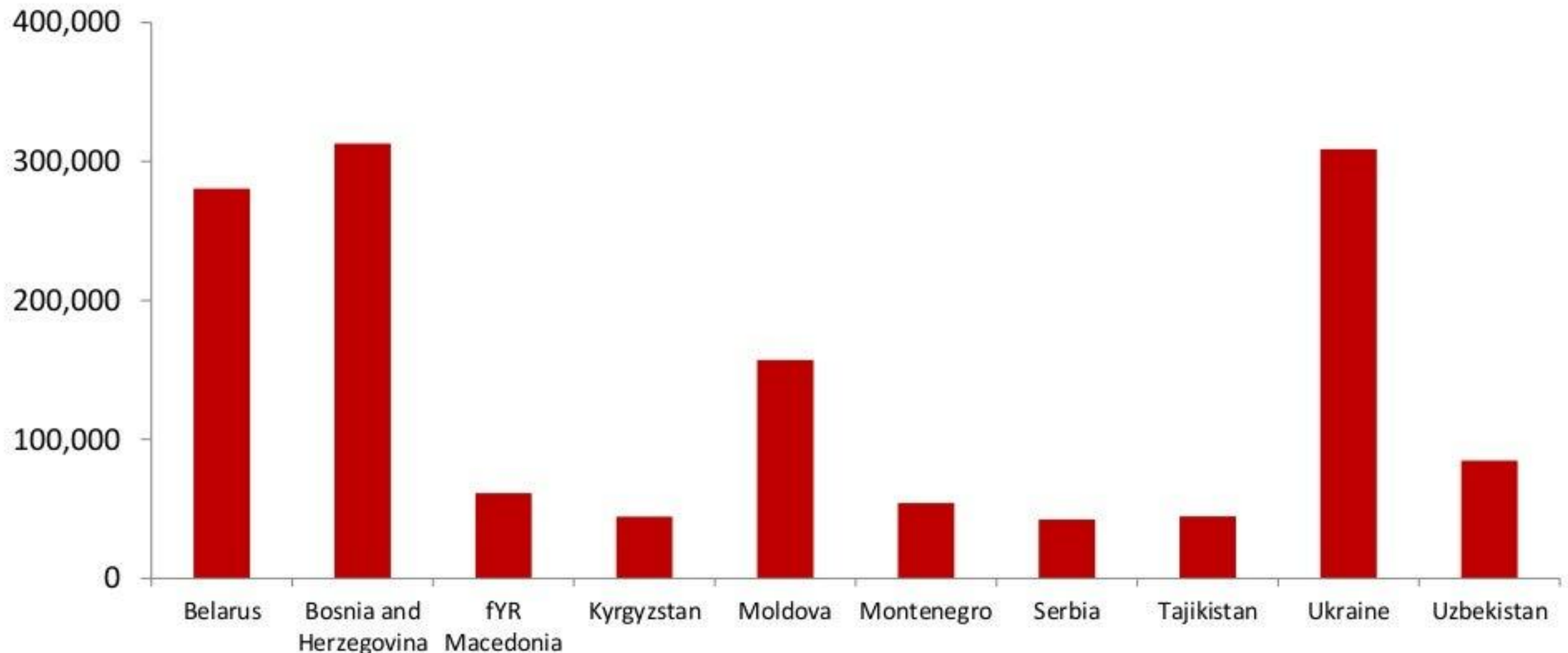
Number of NGOs supported by the GF^{*}



^{*}In the last Global Fund grant phase. *Source:* GF principal recipients.



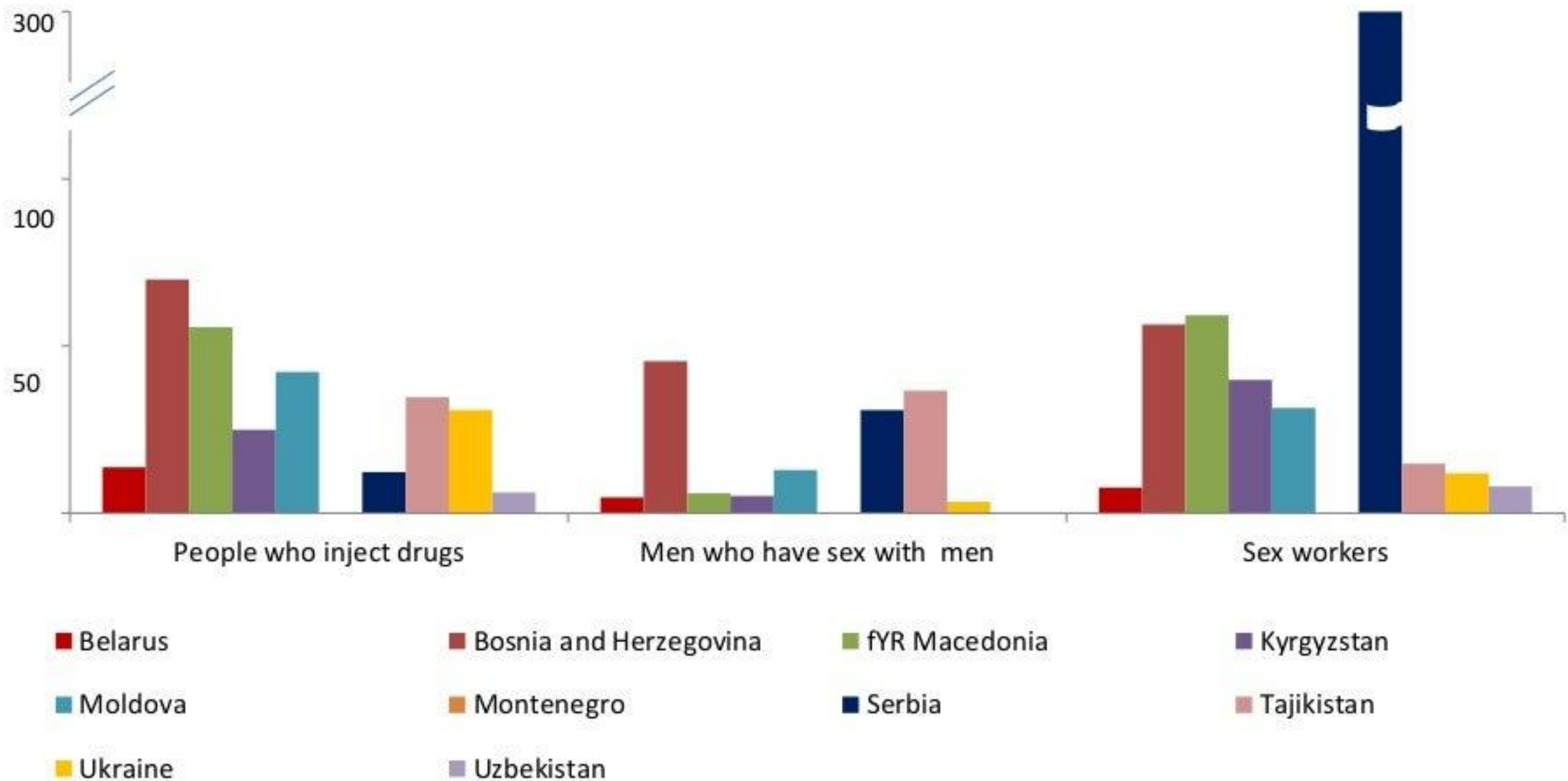
Average annual budget from the GF per NGOs (\$)



Source: GF principal recipients



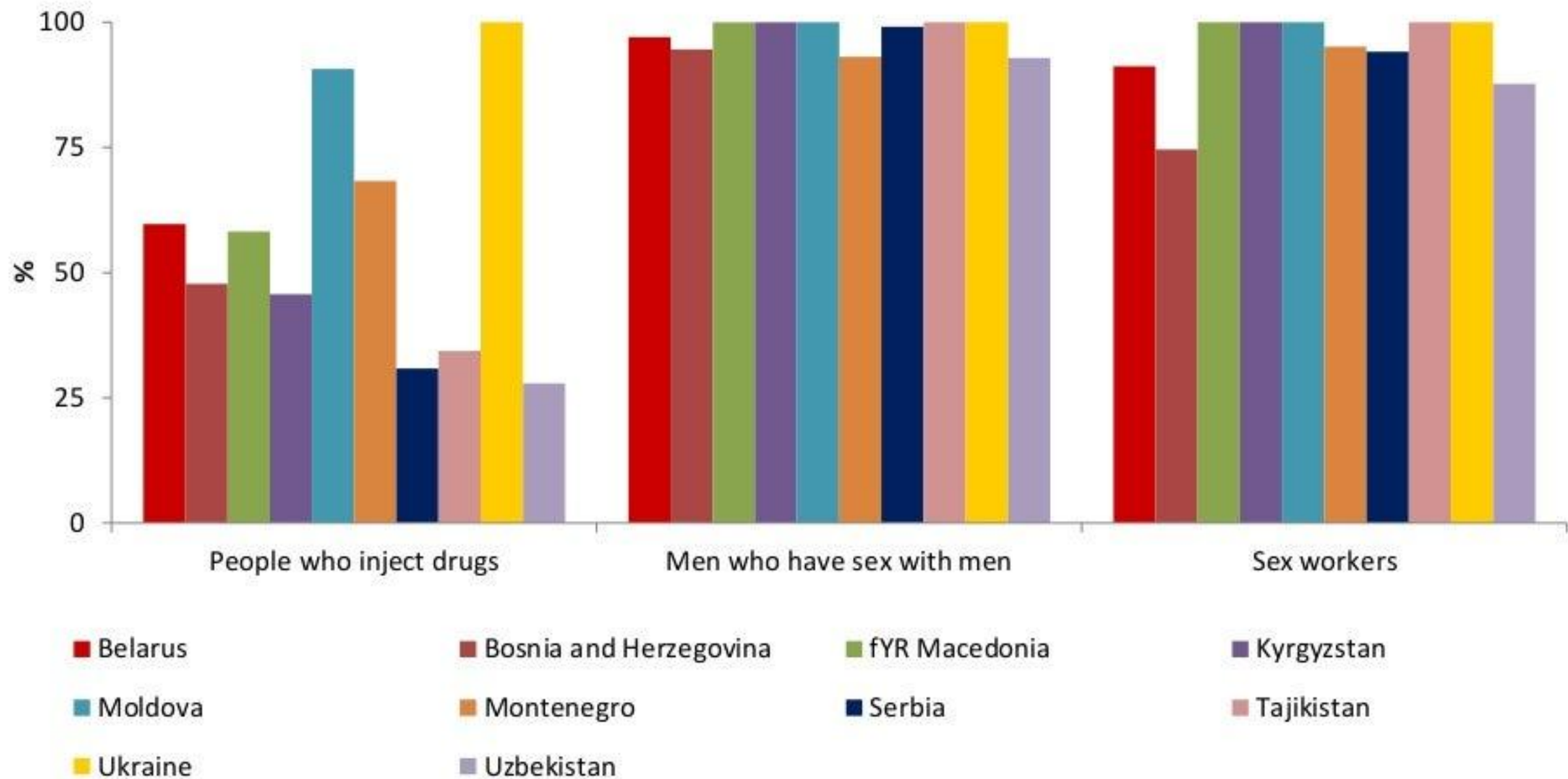
GF prevention budget available for NGOs per person from key populations (\$)*



*In the last Global Fund grant phase. Source: GF principal recipients.



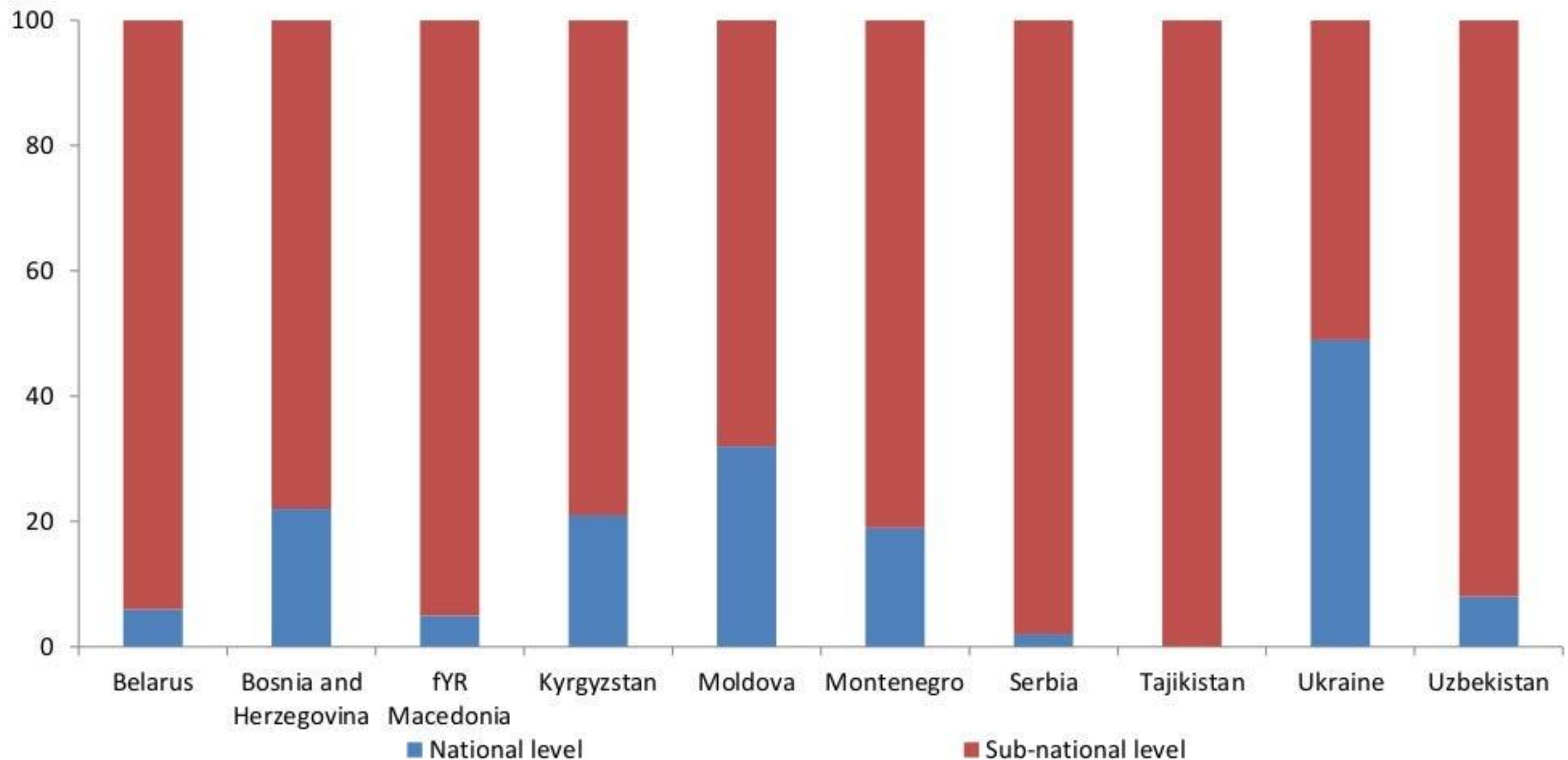
GF budget available for NGOs for prevention among key populations (% of budget line)*



*In the last Global Fund grant phase. Source: GF principal recipients.



Distribution of the GF budget for NGOs – national or sub-national level*



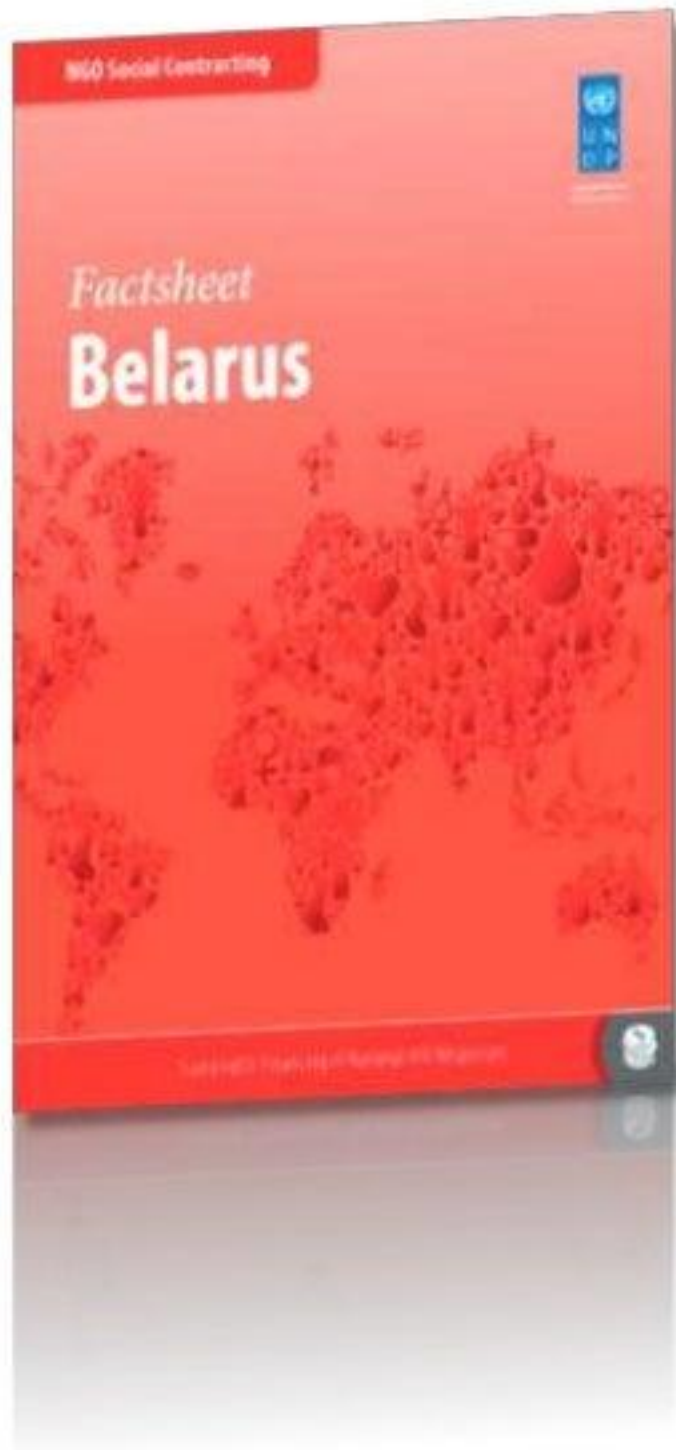
*In the last Global Fund grant phase. Level concerning beneficiaries. Source: GF principal recipients



Key Findings: Common features

- NGOs need registration to operate and access public funding
- NGOs recognised as possible social service providers
- NGOs are mentioned as implementing partners in national HIV programmes, strategies and laws
- Countries are at different stages of development of mechanisms of social contracting of NGOs
- When receiving public funding, NGOs required to provide financial and programmatic reports
- In Belarus, Tajikistan and Uzbekistan foreign funding to NGOs has to be approved by/reported to the government
- Where license is required for provision of social services, non-compliance with quality standards may lead to license suspension or revocation

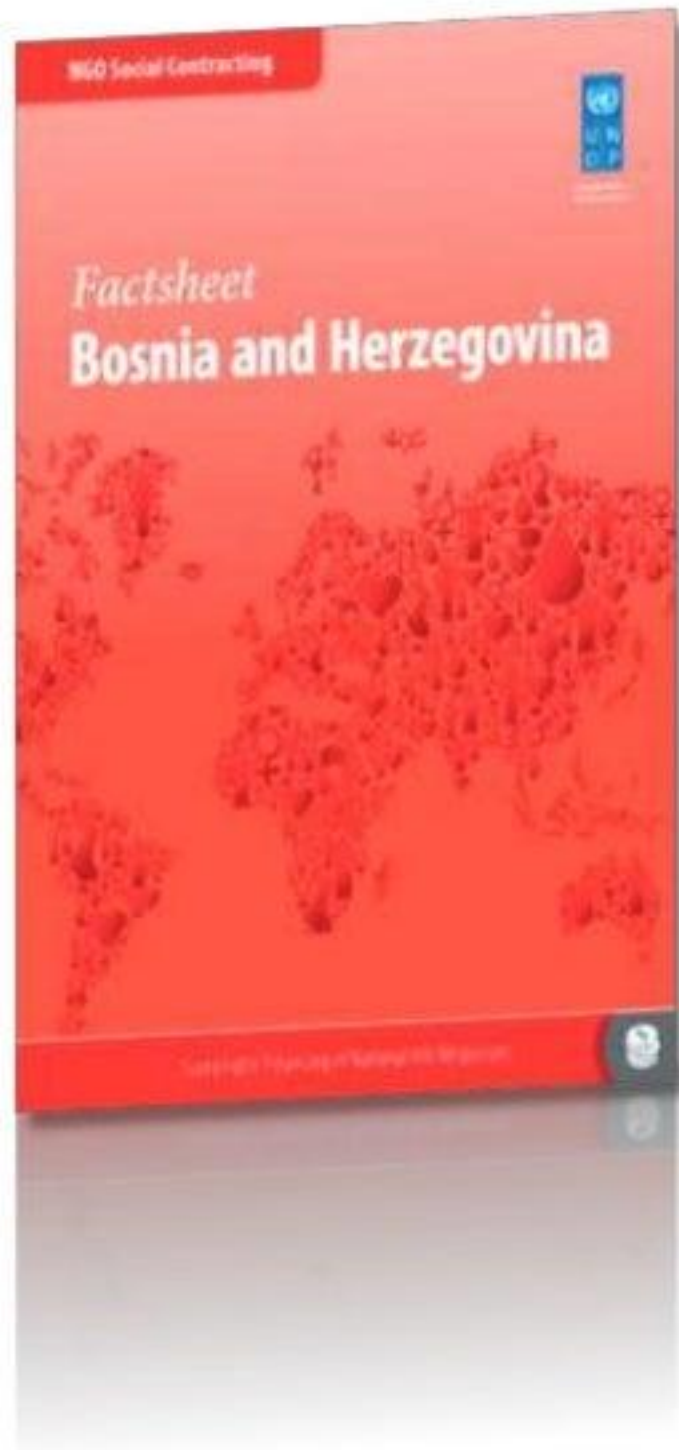
Key findings



- Registration procedures vary depending on NGO form (stricter for public associations)
- Beyond social contracting, limited opportunities for NGOs to carry out economic activities and to get engaged in public procurement of services (up to 15% deposit requirement applies to non-state bidders under public procurement procedures)
- Minimum quality standards for social services; oversight to be ensured by contracting authority
- No license needed for social service provision
- In 2014, social contracts worth US\$ 160,000 awarded to 6 NGOs for provision of social services (not HIV-related)



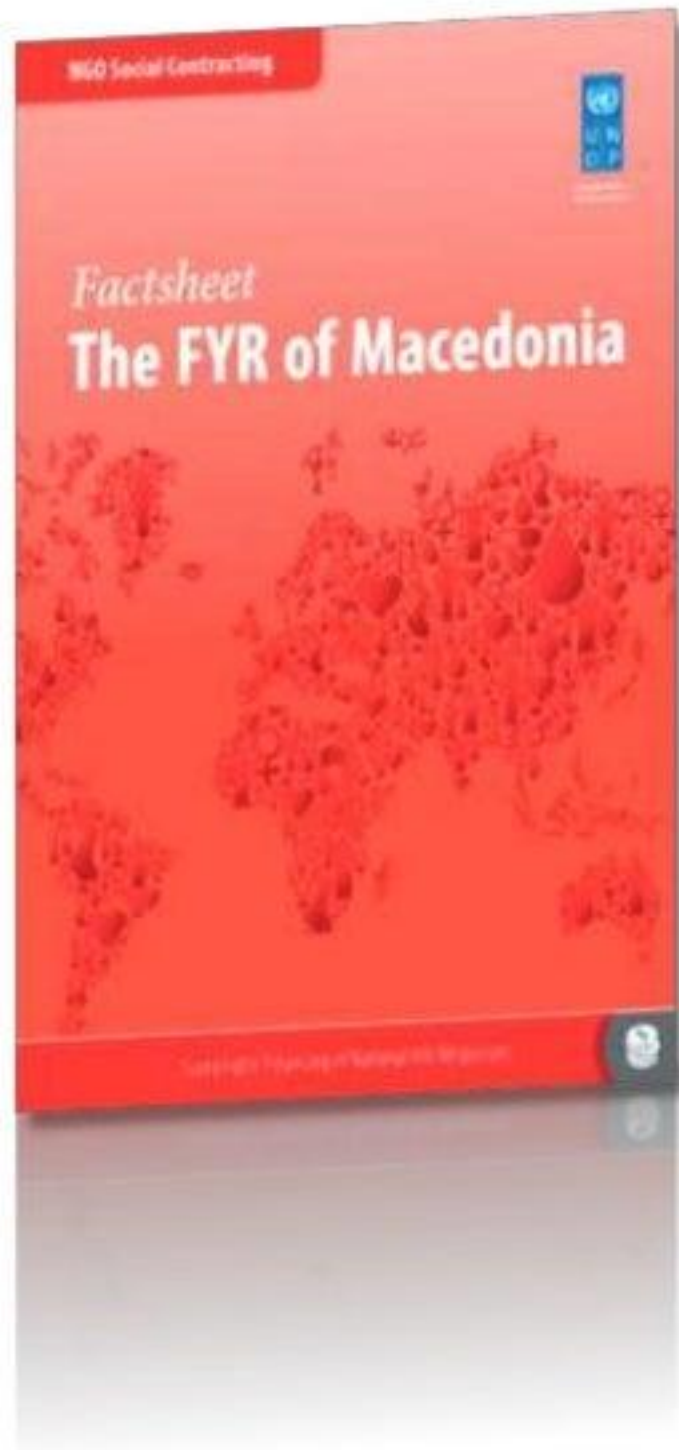
Key findings



- At state level NGOs can operate without registration; registration required to access public funding
- Quality standards and monitoring procedures not specifically defined and depend on practices in entities
- No license required for NGOs to provide social services
- Most public funding comes from municipalities
- Since 2012, annual allocation from national, entity and Brčko District budgets to NGOs app. US\$ 72 million



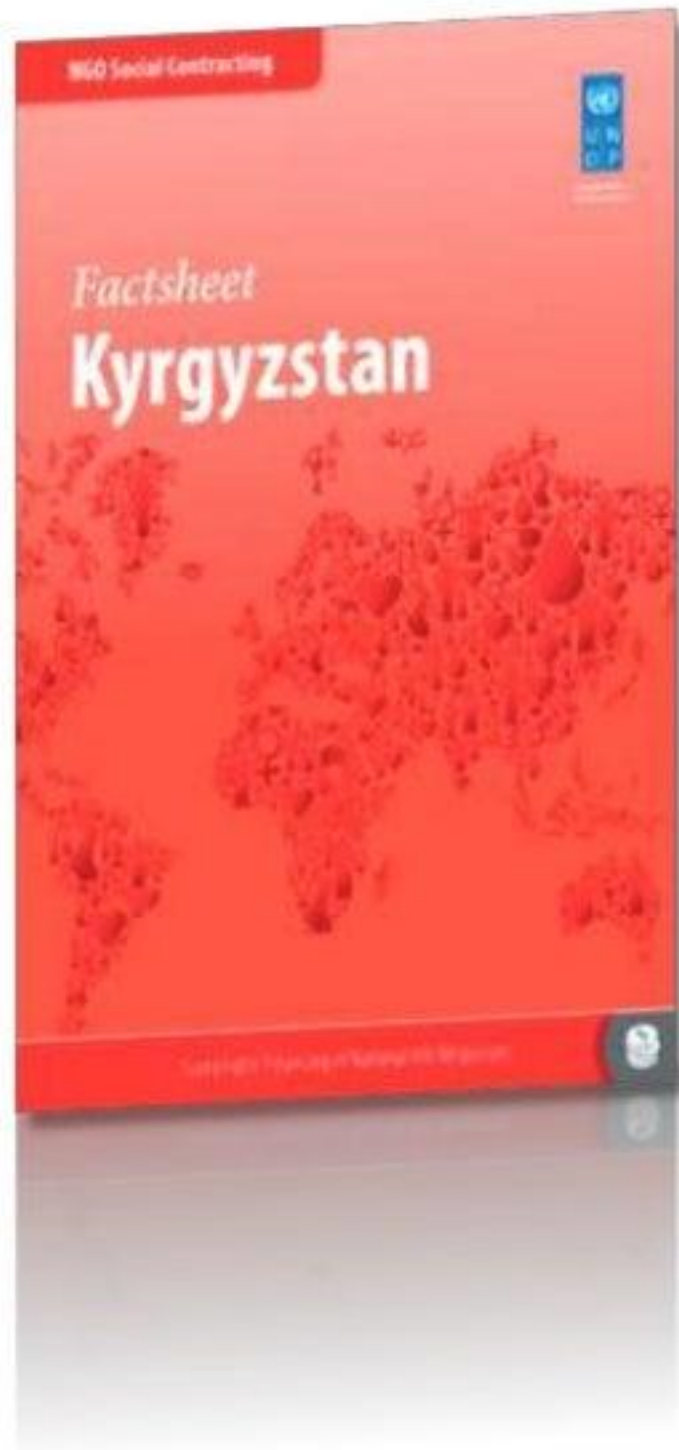
Key findings



- Expeditious NGO registration procedure
- NGOs may receive grants from national and municipal budgets
- Quality standards for social services and service quality monitoring envisaged by law
- Social service providers to be licensed by the Ministry; staff of social protection organisations to be licensed by Institute for Social Affairs and Policy
- Ministry maintains registry of NGOs providing social services (currently 75 NGOs, incl. HIV service providers)
- Every year Government publishes NGO Financing Programme
- In 2014 and 2015 the Government funded projects of 40 NGOs (app. US\$ 210,000 per year)



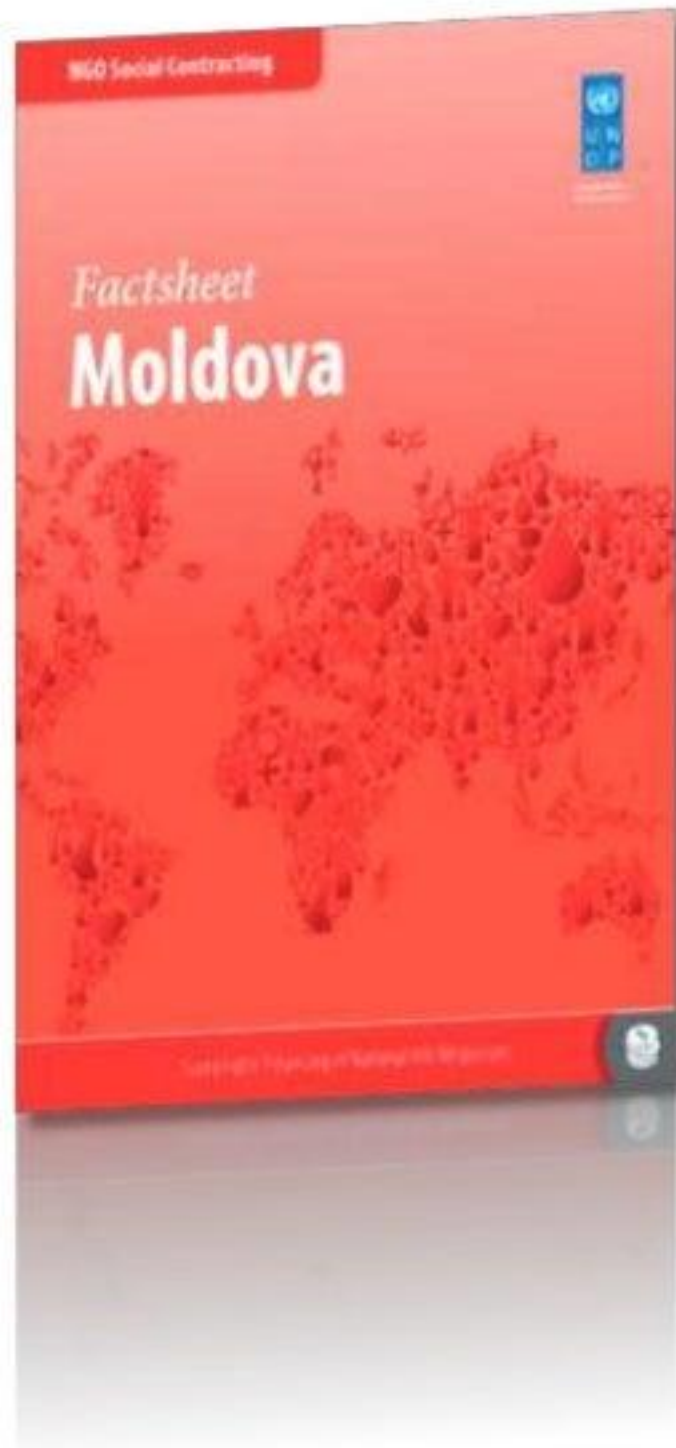
Key findings



- NGOs identified as service providers in Ministry of Health ordinances on HIV testing in high-risk groups
- Easy and inexpensive NGO registration procedure
- Draft new State Social Contracting Law introduced to Parliament in 2015
- Draft law envisages 3 mechanisms for state financing of NGO services: contracting under public procurement mechanisms; grants for public benefit projects; social vouchers
- Contracting authority to monitor service provision
- Quality standards envisaged for state and municipal services
- No license required for provision of social services
- In 2013, 29 NGOs received funding from Ministry
- No social contracting from local budgets due to lack of funding



Key findings



- Simplified registration for NGOs by local authorities
- State support to NGOs envisaged by legislation: targeted funding for programs, procurement of services, social contracting
- Social services may be funded from national and local budgets
- Both existing and new draft law on public procurements require financial guarantee for offer submission and contract implementation
- Quality standards exist for some of the 41 types of social services in the Nomenclature
- Ministry of Labour, Social Protection and Family responsible for monitoring quality of social services
- To provide social services, accreditation required
- In 2014-2015 first social contracts and grants awarded by 3 ministries, incl. for HIV services
- Practice of state social contracting of NGOs is limited due to lack of funding

