

High Level Forum for Health Follow-up

Background Paper for the *Consensus to Action Meeting*

Hosted by the
African Development Bank
Tunis
June 12-13, 2006

This note outlines a proposal for how WHO and the World Bank, working together with other partners, could support scaling up in health - initially in 5-7 selected countries over the next three years. It focuses on what needs to be done to address the constraints to scaling-up in health at the country level that were identified in the High Level Forum meetings and a subsequent follow up meeting in Brussels. It is intended to serve as the background paper for the meeting that will take place in Tunis on June 12 and 13.

1. Issues to be addressed

Agreements about the quantity and quality of aid for health made at the global level have yet to make a real difference at the country level. The Paris Principles on Harmonization and Alignment have not sufficiently changed donor behaviour on the ground and most of the large increases in development assistance for health continue to be targeted to specific diseases and interventions. In addition, from the country perspective, many governments have not been able to effectively deal with absorptive capacity constraints precluding effective use of available aid. As a result, support for the health sector from external partners - while potentially growing in volume - is provided in increasingly fragmented ways in an ever more crowded field. At the country level, too few countries have robust health sector policies and strategies - developed in collaboration with finance ministries - to provide the required template for donor support and effective absorption of aid. Because little has changed to make aid more predictable and delivered over the long-term in a sustainable manner, it is national governments that have to bear the biggest risks when funding commitments do not materialize. These factors, coupled with minimal focus on ensuring that donors and countries are mutually accountable for their behaviors and results, have resulted in slow progress towards the health MDGs - particularly in Africa and fragile states.

More rapid progress is unlikely to happen spontaneously - a boost in the international effort is needed. Several donors are now looking to significantly increase long-term *financial* support for health in a range of countries that are keen to make a sustained impact on health outcomes.

The main purpose of the Tunis meeting is to define what can be done through well-coordinated support to create an environment in which countries can take the lead in accessing and effectively utilizing new resources for health in line with sound macroeconomic and public sector management.

2. Recent developments

Since the last meeting of the HLF in Paris in November 2005 there have been several developments concerning assistance for health:

- A number of new **innovative financing mechanisms** are being finalized. The IFFim will soon become operational and GAVI is gearing up to support health systems in addition to its regular work on immunizations. The French and the Brazilian Governments are moving ahead with the implementation of the Airline Departure Tax to finance ART and

possibly, other pharmaceuticals or interventions later on. UNICEF is working with WHO on scaling up programs to reduce child mortality in Sub-Saharan Africa, in collaboration with the World Bank and other partners.

- There is also promising news on **aid commitments for health**. The European Union - the Commission and its Member States - is committed to a significant increase in bilateral grant aid, including setting timetables for EU members to reach the UN target of providing 0.7% of gross national income as development assistance by 2015. European Commission donors are also committed to the Paris principles on aid effectiveness, as reaffirmed in the recent European Consensus on development. In addition, the EC has proposed a new financing instrument to provide long term and predictable grant finance in support of the MDGs. If adopted, this "MDG contract" would significantly improve chances for scaling up in health.
- **Increasing aid to Africa** continues to be a high priority on the global development agenda. G8 leaders committed to increase aid to Africa by US\$25 million a year by 2010 and debt relief to a group of LICs is being implemented. In addition, half of the EU's planned increase in development assistance has been allocated to Africa.
- However, not all additional potential funding for health is available in the right format for undistorted scaling-up. With the exception of GAVI's increased funding for health system development, **most new health financing flows are for specific diseases**. Moreover, apart from the EC's proposed MDG contracts, there has been little progress on improving the predictability and sustainability of aid for health. Donors have yet to follow through on the recommendations of the HLF: that scaling up in health will require not just more aid, but more predictable aid on a long term basis.
- There is no coordinated attempt to help low income countries expand and improve the quality of their **overall health strategies** and programs in a manner consistent with absorbing additional DAH effectively, or to address critical weaknesses in health service delivery capacity within an overall fiscal and results framework. The three immediate challenges are: aligning health strategies within an overall government program that takes into account the multi-sectoral needs of development as well as health outcomes; reconciling vertical, disease-based programs with overall health system strengthening; and creating sufficient fiscal space for these aid increases; and achieving harmonization and alignment of the large, and growing, number of actors operating in the health sector. Thus, while the health sector has a great need for additional resources, its capacity to use these funds well is weak in many cases.
- There are, however, important exceptions to this trend. In Africa, several governments are gearing up to make effective use of increased levels of aid for health. For example, Madagascar and Rwanda have prepared a Development Action Plan and an Aid Policy Document, respectively, to increase alignment of external aid with national strategies and harmonization of approaches among donors. These evolutions indicate that there exists both a necessity and a window of opportunity for all partners to move forward through concrete coordination and alignment efforts, and follow through on commitments to make aid more predictable and sustainable and to assist countries to remove absorptive capacity constraints in terms of creating fiscal space, improving public sector management, and removing health-sector specific bottlenecks.

3. What needs to be done: key activities and guiding principles

In order to address these problems, the High-Level Forum process identified a number of areas where action is needed. These constitute the main components of the consensus to action agenda. Needs will obviously vary according to country circumstances.

- **Fiscal Space:** Reviewing with governments options to mobilize resources towards reaching the health-related MDGs in the context of cross-sectoral resource allocations, trade-offs and external funding, within country-specific macroeconomic and fiscal contexts.
- **Predictability:** Related to the above, governments need the assurance of long term, predictable assistance to enable them to embark on the long process of scaling up health systems. Predictable aid not only increases fiscal space for health - by reducing the uncertainty around future resources for health - it also increases the political feasibility of scaling up health, as governments can undertake more ambitious programs without risking the political fallout from interrupted, unfinished or under-funded health expansion policies.
- **Strengthening Health Systems:** improving efficiency and equitable use of resources to achieve better health outcomes by strengthening health systems, public financial management and other key absorptive capacity issues. Related issues of institutional development would include, for example, decentralization and accountability.
- **Alignment:** integrating health objectives, policies, programs and performance indicators in national development planning, budgeting and monitoring instruments (sequence from PRS - PERs - MTEF - Budgets - PETs - Household Surveys) and aligning donor reporting, financial management and procurement procedures with country processes. A key issue is to help close the traditional gap between MOHs and Central Ministries (MOF, Ministries of Planning, etc). This includes, for example, applying international good practice in helping MOHs become more “fluent” in issues of fiscal space or using budgeting and monitoring instruments and assisting Central Ministries to see how they can contribute to making health programs more effective and accountable and so merit additional external as well as internal financing.
- **Harmonization:** coordination of donors using SWAPs approach and Paris/HLF principles. Coordinated capacity building (TA, Training), pooling of funds and reduction of supervision/reporting burden.
- **Multi-sector determinants of health outcomes:** the importance of education, water, sanitation and infrastructure for health outcomes and overall growth has been recognized. Thus there is a need to integrate health strategies within an overall PRSP framework that envisions this multi-sectorality and aligns the available financing according to this broader view. Doing so in a way that strikes an appropriate balance between needs in the health sector and other sectors is not easy, particularly for MOHs.
- **Results and monitoring:** Using a realistic results framework that focuses on outcomes as well as outputs and sound management of inputs, this results framework should take advantage of emerging good practice on monitoring and evaluation.
- **Mutual accountability:** This key principle of the Paris Declaration is particularly important in the health sector, with the major scaling up envisioned. It should be based on the agreed national results framework. The instrument for mutual accountability in health would take account of each country’s overall framework for mutual accountability and, where appropriate may include a formalized agreement.

4. The way forward

At the **Brussels Meeting on February 7** there was a strong consensus that development partners have to change their business practices, particularly in countries that are off track on

reaching the health MDGs. Partners that met in Brussels also requested WHO and the World Bank work together to identify ways to address these complex issues.

The proposal below reflects the need to handle a number of difficult tensions. These include: balancing the need for dedicated initiative or 'push' with the need to draw on support from across our institutions and our development partners; the need to focus support at the country level while at the same time building 'back-up' capacity at headquarters; and, the need to move rapidly but also to be in step with related, external processes (such as the selection of a learning countries for the GAVI health systems window).

Taking these factors into account, we believe that three key functions are needed:

1: Building capacity at country level

If governments have a robust sector strategy that seeks to maximize health outcomes from investments across several sectors they will be better placed to manage development partners. Similarly, it is critically important that health is well-embedded in PRSPs and national development policies and plans. Supporting capacity building at the country level in line with these priorities provides the foundation of the approach to be tested.

2: Creating coalitions of development partners in each country

Not all countries are in a position to establish a full-fledged sector-wide approach. Nevertheless, building coalitions, defining rules of engagement, preparing compacts or memoranda of understanding are still needed. Arguably they are needed as much or more in weaker institutional environments than in well progressing stable states. Building functional coalitions is time consuming and requires skill and sensitivity. The transaction costs are often high, but the costs of fragmentation are almost certainly much higher.

3: HQ back-stopping and cross-country lesson learning

Most of the support requested by countries as they strengthen institutional capacity and build coalitions will be provided by country-based staff from the World Bank, WHO, and other involved partners, accessing other resources as needed. This support must be demand-driven to be effective. In order to fulfill these functions, broker relationships, and backstop country colleagues, capacities might have to be reinforced at the regional and headquarters levels. Lessons learnt can facilitate the expansion of the process in 5-7 additional countries as a "proof of concept" effort, be integrated into dialogue with donors, including bilateral and global partnerships, and others. The learning process is also likely to highlight issues to be tackled at HLF-type meetings in the future.

How will the process be managed?

The key locus for this work will be at the country level, building on existing government/donor co-ordination mechanisms around the health sector, MDGs or PRSP. It is proposed that the meeting discusses how the process will be managed. The management process could take the form of a **split-site World Bank - WHO Secretariat**. This would in effect take the model of the Secretariat of the High Level Forum - which produced a set of joint outputs - one step further by providing a dedicated secretariat to support implementation of scaling up. Partners would be invited to second representatives into one or both organizations.

This joint secretariat - composed of partners guided by governance rules (which will be defined) - would operate in **5-7 countries** over a period of 3 years. Periodically, it will report back on progress to the group of High Level Forum participants and at the end of the period it will make recommendations for moving forward on a larger scale.

Work at different levels would involve a network of senior staff who would catalyse and build momentum for action at the country level, provide technical support as needed and resolve particular issues and tensions. This network would also be responsible for documenting and disseminating lessons learnt and good practice. To tackle these issues, the staff involved would have the necessary technical and political skills, as well as an understanding of on-the-ground realities.

5. Decisions for the consensus to action meeting in Tunis

Proof of concept: At the meeting in Tunis we will review two case studies that illustrate the issues outlined in this note - from the perspective of problems to be addressed, the kind of support that has been needed, and some of the problems and pitfalls that have been encountered. We can draw on these and the experiences of others at the meeting to refine the approach to be adopted.

Selecting countries: It is proposed that expressions of interest be invited from low-income countries to receive the consensus to action or brokering services. If demand were to exceed 5-7 countries, then some selection criteria will need to be established. The working assumption is that the initial focus will be on Africa, given the large donor presence and the region's dependence on external assistance.

Operational parameters: Reach agreement on the process for further defining the governance and management of the split-site secretariat, and its resources. If the approach is agreed upon in principle, it is proposed that WHO and the World Bank draw up a budget in the weeks following the meeting and then convene a 'working level' meeting to discuss financing and the practicalities of establishing the secretariat.