

**TRACKING RESOURCES FOR GLOBAL HEALTH:
PROGRESS TOWARD A POLICY- RESPONSIVE SYSTEM**

Abuja December 2004

Purpose and Organization of this Paper

In January 2004, the High-Level Forum on the Health Millennium Development Goals (HLF) observed shortcomings in the international community's current ability to monitor resource flows in global health. Improving information on resource flows was identified as a priority for action, and the World Bank and the World Health Organization (WHO), in collaboration with the Organization of Economic Development and Cooperation (OECD), were asked to assess the "feasibility of improving the tracking of financial investments in the health sector at national level, from domestic and external sources, using national health accounts and other financial flows data."¹

This paper reports on a project currently underway to develop specific and action-oriented recommendations about how the provision of information on financial flows in global health could be made more responsive to a variety of policy needs. This project, the "Global Health Resource Tracking Working Group," is being led by the Global Health Policy Research Network (PRN) of the Center for Global Development (CGD), and benefits from the participation of a wide range of representatives from the official and non-government sectors². While this project did not formally originate under the auspices of the HLF, members of the HLF Secretariat from the World Bank and WHO have been substantively involved in the initiative. It is hoped that the HLF members will endorse the general approach, and that the findings and recommendations of the Working Group will be considered for endorsement by the HLF in the future.

The paper is organized as follows: First, we identify key links between resource tracking and making progress towards meeting the health Millennium Development Goals (MDGs). Second, we lay out the specific ways in which information on resource flows, including data on both commitments and disbursements, can inform policymaking, and roughly map the type of information required to each policy use. Third, we highlight major sources of data on resource flows that currently are available, and identify major gaps relative to policy needs. Fourth, we briefly summarize the major gaps in the available data, relative to policy needs. Fifth, we identify a set of key issues that we believe need to be addressed to develop an appropriate strategy to fill important gaps. Sixth, we describe the mission, composition, work plan and expected products of the Global Health Resource

¹ From the 2004 Program of Work for the Secretariat of the High –Level Forum on the Health MDGs

² Supported by the Bill and Melinda Gates Foundation

Tracking Working Group. Finally, we identify four specific ways in which the HLF can support this work.

1: Resource Tracking and the Health MDGs

A few countries have been admirably successful in making progress on the health-related MDGs, which call for a two-thirds reduction in child deaths, a 70 percent reduction in maternal mortality, a halving in the number of children suffering from malnutrition, and a reduction in the number of new HIV, TB, and malaria infections by 2015. However, the vast majority of developing countries are off track for achieving the goals (World Bank, 2004).

It is widely agreed that accelerating progress toward achievement of the health-related MDGs will require both a large increase in the financial resources dedicated to the health sector in developing countries, and improved effectiveness in the use of resources. Developing policies that result in more funding and better use of financial resources, in turn, requires a supportive information base – one that provides data about the availability and use of funding in a way that is detailed, timely and credible.

While there are, and will continue to be, constructive policy debates about what level of funding is required, who should be bearing various financial burdens, and how monies should be allocated, the debates should be focusing on substantive issues, rather than on whether the underlying data on financial flows are accurate. A core information base of which there is little room for argument would greatly facilitate efforts in generating

Box 1 Potential Users of Information on Resource Flows

Technical Agents – epidemiologists, policy analysts and economists within the Ministry of Health, national research institutions and international organizations. These users will be interested in access to primary data on resource flows primarily to examine questions of the allocation of resources across program areas.

Donors – representatives of UN Agencies and development banks, and key bilateral donors. Donors generally are interested in spending trends by governments and other donor agencies; additionality; and allocation across sectors and programs.

Public sector administrators in developing countries – mostly from the Ministry of Health, the Ministry of Finance, the Ministry of Planning and the president's or prime minister's office. Government officials generally look at spending trends; efficiency issues; recurrent costs associated with new investments; and the predictability of funding. Prospective information (commitments) is of special interest.

Interest groups/advocacy groups – NGOs providing global health care services and community organizations. These groups usually look at spending trends relative to estimates of resource requirements. They attempt to hold donors and governments accountable to rhetorical commitments.

Politicians – (in both developed and developing countries) ministers and deputy ministers, members of Parliament, members of the cabinet, the president and the prime minister. This group is generally concerned with the "big picture" information and comparisons, often inter-regional comparisons and/or spending trends in overall spending. They are often concerned with waste and misuse of funds.

and maintaining political will, developing appropriate policies, and holding responsible parties accountable for fulfilling their financial commitments.

2: Information for Policymaking

At international and country levels, many public and private actors in global health have an interest in knowing how much funding is available and how it is used (see Box 1).

Key decisions – from setting advocacy priorities to designing and monitoring health sector reforms – depend in part on the availability of specific types of information on funding. These are described below:

Mobilizing More Money

- **Resource mobilization** – Advocates for more resources for health generally require *prospective information about donor and public sector funding commitments* and *recent budget execution*, particularly from donor and lending agencies. Greater predictability in aid flows is required.

Using Money More Effectively

- **Resource allocation** – Those responsible for ensuring that health resources are allocated in ways that correspond to priority health programs, including priorities established in Poverty Reduction Strategies, require *prospective information about donor and public sector funding commitments* and *recent budget execution*. These stakeholders may include representatives from donor and lending agencies, country-level executive and/or legislative staff, and civil society watchdog organizations.
- **Fiscal planning and donor coordination** – Decision makers seeking to minimize duplication of effort and optimize complementarities need *prospective information about donor and public sector funding commitments*.
- **Measurement of efficiency and equity** – Analysts and policymakers working to improve the performance of the health sector often seek to understand (a) the relationship between health system inputs and outputs or outcomes; and (b) the distribution of health sector resources by sub-population (e.g., by income quintile). Information is required about *recent public and private expenditures by program and geographic area*, including expenditures that are financed by donor

and lending agencies. Complementary information also is required about health outputs and outcomes, by sub-population.

- **Design of financing strategies** – In addition to multiple other types of data inputs, analysts and policymakers seeking to design sustainable, fair health financing strategies require information about *recent public and private expenditures by program and geographic area*, including expenditures that are financed by donor and lending agencies. This will help to prioritize health in national development plans and budgets.

In short, for the purposes of resource mobilization, resource allocation and donor coordination, the highest priority information needs are for *donor commitments and disbursements, public sector budgets and disbursements, and private sector expenditures*. For the purposes of measurement of equity and efficiency and design of financing strategies, the highest priority need is for information on *recent public and private expenditures by program and geographic area*. International comparability across countries, policy-relevant categorization, and inclusion of all sources of funding are essential.

3: **Current Sources of Data on Financial Flows in Global Health**

Several organizations have developed health resource data collection efforts to assist in the guidance of policy making and/or advocacy efforts for major donors (bilateral and multilateral) and for recipients of official development assistance. Some of the major efforts are listed below.

Information on bilateral and multilateral institutions' commitments

The Organization for Economic Co-operation and Development's Development Assistance Committee (OECD/DAC) operates the Creditor Reporting System (CRS), an online database that presents the official statistics for the financial flows of official development assistance (ODA) and official aid (OA) of DAC members. CRS, which depends on information reported periodically by members according to an established common format and definitions, provides textual and numerical information on individual transactions. The data are collected for the purpose of providing information about long-term trends in aid flows. The main users of the database are DAC members who can analyze where aid goes, what purpose it serves and what policies it supports. Policy analysts in both industrialized and developing countries also use the data. Data are available at both the level of individual projects or in aggregate tabular form. In general, data are presented according to the date when the commitment is made, and do not show the allocation of funding over multi-year periods. Data on aid activities financed from multilateral

institutions' regular budgets are included in the database to improve the system's capacity for sector and geographical analysis. The financing of specific projects facilitated by multilateral institutions (non-core or extra-budgetary funding) is classified as bilateral.

Information on bilateral and multilateral institutions' commitments and disbursements for specific programs

UNAIDS, UNFPA and the Netherlands Interdisciplinary Demographic Institute have undertaken exercises to measure the funds that are committed and made available for specific disease programs and/or interventions (i.e., HIV/AIDS and reproductive health). The StopTB and Roll Back Malaria partnerships are starting to undertake similar work. The Global Forum on Health Research routinely estimates spending on research and development in health. In general, these initiatives are based on specialized data collection at the global level, with a relatively high degree of detail. However, they are hindered by underlying constraints in donors' and governments' ability to report detailed information.

Information on budgetary commitments for health at the country level

To varying degrees, all governments publish budget information, including allocations to the health sector and actual expenditures. This information often is used as the basis of World Bank Public Expenditure Reviews, some of which have a special focus on the health sector. In general, this information is compiled in budgetary categories such as capital investments, personnel expenditures, and transportation and other recurrent costs, which do not correspond to programmatic categories such as "immunization program," or "HIV/AIDS prevention."

Information on retrospective public, private and externally funded expenditures on health at the country level

One of the tools currently used in collecting core information is the National Health Accounts (NHA), an internationally accepted methodology used to measure a nation's total health expenditure patterns, including public, private, and donor spending. NHA provides health expenditure information on sources and uses of funds, and can also track public budgets in its resource cost matrix. WHO, Partners for Health Reform*plus*, and Pan American Health organization are the primary organizations supporting the use of the NHA tool in developing countries to collect health expenditure information. NHA methodology has been applied in a large number of developing countries, but in most cases has been a one-time exercise and is not part of an on-going system of expenditure analysis.

The World Health Organization compiles and reports a five year series on estimated health expenditure for all its member states (currently 192) annually in its World Health Report. This includes estimates of total health expenditures, government health expenditures, expenditures on private prepaid plans for health and social health insurance, as well as private out-of-pocket spending. Information is also presented on the external resources used in the country for health, derived from the OECD/DAC Creditor Reporting System (see <http://www.who.int/nha/country/en/>).

Information on public and private expenditures on specific health programs at the country level

Special satellite versions of national health accounts have been used to assess expenditures on AIDS. UNAIDS has supported some of this work, with the methodologies having been applied most widely by the SIDALAC program of FUNSALUD and PHR*plus*. In addition, the Global Alliance on Vaccines and Immunization has undertaken financial sustainability planning work in several dozen countries; the plans include a detailed examination of public (government and donor) expenditures on immunization program-specific activities. Similar work is being initiated to examine spending on malaria prevention and treatment. These initiatives tend to be one-time efforts, and only in selected countries. They are limited for some policy uses because they present information in programmatic categories, rather than budgetary line items.

Information on public expenditures on specific services at the local level

The World Bank has pioneered Public Expenditure Tracking Surveys, which attempt to track to the micro level the public spending on core services, such as schools and health clinics. These have been used in a few countries.

4: Gaps

Relative to what is needed for many policy and planning purposes, the following gaps can be identified:

- For the purposes of resource mobilization, resource allocation and donor coordination, no on-going system provides comprehensive information about donor commitments and disbursements *and* national government budget allocations and actual expenditures by programmatic category relevant to the MDGs, such as child health (disaggregated into immunization, diarrheal disease control, and other categories), reproductive health, HIV/AIDS, and so forth. This deficit has led to multiple interest groups conducting or commissioning special studies, which themselves are limited by incomplete information.

- For the purposes of examining equity, efficiency and health financing options, national health accounts have demonstrated potential to be important for policy dialogue. At the same time, they are limited because there is little correspondence between the categories of health accounts and the budgetary categories that constitute the basic vocabulary of key decision makers in Ministries of Finance; and in cases where NHA exercises are not institutionalized, information on both donor and private spending is often derived from a patchwork of sources.
- Across many data sources, relative to an ideal, gaps exist in country coverage, comprehensiveness and detail, and timeliness. In addition, data collection often is based on a questionnaire-style approach, which may result in problems with accuracy and consistency across countries and institutions, as well as an excessive burden on data reporters at agencies and within developing country governments.
- Data on private sector contributions and expenditures, including those from household, corporate and foundation sources, is severely limited.

5: Key Issues

Several key issues must be addressed in any effort to improve tracking of financial resources in global health. These include:

- Building on existing budgeting and monitoring systems and analytic frameworks: To the extent possible, new efforts should build on and strengthen existing systems in a sustainable way, ensuring that they are better articulated with each other.
- Level of detail, or “granularity”: There are strong demands to disaggregate information into disease, intervention and other detailed categories. There also are demands for information about expenditures at sub-national levels. Can this be done using routinely generated information in international agencies and/or governments – and can recent developments in information technology be applied? If not, what is the feasibility, cost and benefit of special exercises?
- Cost: There is a never-ending demand for data, and capacity is limited. The costs of data collection and dissemination should be assessed relative to the benefits for policymaking.
- Not a one-size-fits-all approach: Countries vary widely in their ability and

willingness to prepare and report on budgets and budget execution. Similarly, development agencies reporting on donor commitments and disbursements may have different internal information systems and willingness to share information. Any attempts to improve systems must realistically take into account these varying starting conditions.

- Importance of private flows: Multiple types of private flows – from out-of-pocket spending to pharmaceutical sector contributions – are important to a full understanding of financing. In particular, establishing a way to value the contributions of the pharmaceutical sector is becoming an increasingly important task, but is quite difficult to obtain.
- Focus on collective action: The provision of information represents a classic public good, and it is unrealistic to expect that the independent actions of individual agencies or governments will provide the optimal supply of information. Some type of collective action is required, with funding and governance mechanisms consistent with the concept of a public good.

6: Global Health Resource Tracking Working Group

In an effort to improve the information base for policymaking, the Global Health Policy Research Network (PRN) of the Center for Global Development (CGD) has convened the Global Health Resource Tracking Working Group, with the support of the Bill & Melinda Gates Foundation. The World Bank and WHO are actively involved in supporting and contributing to this Working Group.

Membership of the Global Health Resource Tracking Working Group includes individuals nominated by stakeholder agencies (bilateral and multilateral funders, private funders, technical agencies), with specific interest in global health resource tracking; individuals able to represent perspective of country-level policymakers; and individuals knowledgeable about private expenditures and contributions (see Annex I). The group is co-chaired by Brian Hammond, OECD/DAC; Gustavo Nigenda, Mexican Health Foundation; and Ruth Levine, Center for Global Development.

The Working Group began its work in July 2004 and expects to complete its activities by June 2005, and will publish a policy report, in which it will present a description of the need for specific improvements, and recommendations on options for (a) a system design to track donor flows; (b) actions to be taken to support collection and use of information about spending on health at the national level; (c) institutional arrangements and governance; and (d) start-up and sustained financing, with annexes summarizing the results of background analyses. Experts have been

contracted to write background analyses based on terms of reference developed by the Working Group (see Annex II for list of background analyses). In addition, the Working Group is conducting several systematic consultations with key interest groups, including civil society organizations.

7: Requests to High-Level Forum on the Health Millennium Development Goals

To ensure that the products of the working group are as useful as possible, the Working Group respectfully makes four requests of members of the HLF:

- Endorsement. We would welcome the High-Level Forum's endorsement of the Working Group effort, and a statement regarding the responsiveness of the Working Group to the need for better resource tracking that was identified during the January meeting. Endorsement of the effort – which does not necessarily imply an endorsement of the to-be-developed recommendations – would increase our ability to convene consultations and to have a clearly identified audience for our report.
- Input. We would welcome input from members of the HLF regarding the particular questions that need to be answered by the group. We would also welcome suggestions regarding individuals or groups that should be consulted during this process.
- Participation. For one of the background analyses, we will be looking for several development agencies to volunteer for an assessment of internal information systems. This study is intended to determine the feasibility of using routinely produced administrative data as a source of detailed and up-to-date information about commitments and disbursements – a potential substitute for the questionnaire approach. We would welcome the opportunity to speak with individual development agencies about their interest in participating in this study.
- Future opportunities to discuss findings and recommendations with High-Level Forum members. When the group's findings and recommendations have been drafted, we would look for both large and small opportunities to discuss those recommendations with members of the HLF. Ideally, we would be able to obtain a full hearing for the recommendations at a future meeting of the HLF.