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Trends in Aid and Aid Effectiveness in the Health Sector

Title: Partnership for Development

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The world has come together in 2000 to announce the Millennium Declaration as an expression of consensus on the urgency to act and address the critical issues behind the extremely poor living conditions of 1.2 billion people. The Millennium Development Goals (MDGs) are the guiding document on what to be achieved with targets and indicators to monitor progress. The MDGs are ambitious, commensurate to the depth of the crisis that the affected countries can not deal with alone. Solidarity and collective effort were from the outset regarded as key pillars in the efforts to meet the targets; the need for the World to truly come together to ensure that the countries in need do move quickly from the substandard living conditions to set a platform for development ¹.

Now, halfway through the 2015 targets, we realize that although progress has been made most of the countries will not meet the targets unless an extraordinary and effective effort is made that addresses the critical issues. Health is key for development as healthy people are better fit for income generation and contribute to savings by avoiding the continuous and often high expenses with health care. On the other hand, the health indicators are a good gauge to assess the socioeconomic status of populations, and ultimately the development of a country. The health specific MDGs are the furthest lagging behind, and the majority of the most affected countries are not making progress at all. The analysis done by the Countdown to 2015 to assess progress towards the MDGs 4 and 5, child and maternal health respectively, revealed that amongst the 68 countries studied, and accounting for 97% of all maternal and child deaths, only 16 countries are making good progress to meet the target on MDG 4, with MDG5 showing an even worse scenario where only 3 countries have low levels of maternal mortality, and judged to be on course to meet the target².

There are many reasons for this very slow progress, and the way Aid is delivered is one of them. The countries in need do not have sufficient resources to properly fund their health programmes. The average spending on health per capita per year in low income countries is of US\$ 16 as compared to US\$ 2,672 in high income countries; the US\$ 16 encompasses total spending, public money, grants and out of pocket expenditure which in many countries constitutes the bulk of the contribution. Taking the example of Burundi, one of the countries with the lowest per capita spending on health, US\$ 2.90, the Government contribution to this figure is only 70 cents, therefore a per capita public spending on health

of US\$ 0.70³; this is a country with high levels of maternal and child mortality and a coverage of the health services of only 34%, judging by the coverage of skilled attendance at birth². The Commission on Macroeconomics and Health calculated a minimum expenditure of US\$ 30-40 per person per year on health to guarantee basic services; this figure now updated by WHO to US\$ 35-50^{3,4}. This is a huge discrepancy between what is required and the capacity to provide the resources and eventually deliver the services; this situation is prevalent in dozens of countries with the worst indicators. There is donor assistance but still with some problems that hamper the effectiveness of the effort; in the same country, Burundi, only 44% of the disbursements are on schedule and recorded by the Government, and donor coordination poor-most of the missions (87%) are not coordinated in a total of 275 missions in 1 year⁵.

A case study of aid effectiveness in Kenya highlighted volatility and fragmentation of foreign aid and its consequences, namely the high transaction costs, again with multiplicity of missions and reports and the pressure on the country limited capacity to cope with many projects; staff find themselves in a situation of responding to several donor projects and requirements and neglect their other responsibilities. The other element resulting from poor donor coordination which erodes the little domestic resources, is the requirement for counterpart funding or future financing without giving the country sufficient time to plan for that and assess its viability⁶.

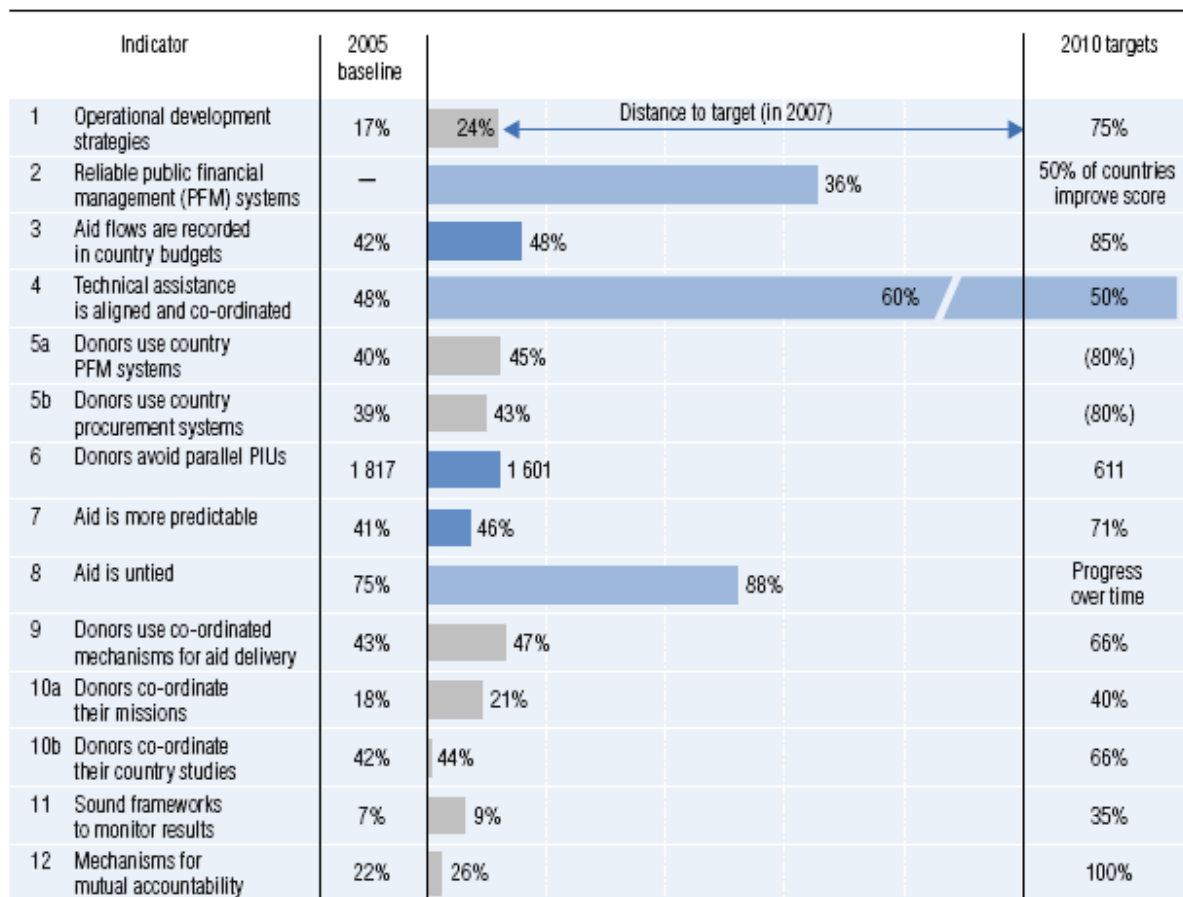
In order to have progress it is crucial that the different players involved are well synchronized, working as one with a long term perspective; if the political commitment is not maintained internally, and the external aid not sustained and at least at the same levels, the gains can be lost or reversed.

It was with this kind of scenarios on the backdrop that in 2005 the Paris Declaration on Aid Effectiveness was signed and regarded as a major landmark, setting a new era in the relationships between countries in delivering aid for development. The Paris principles, as they are usually known, spell out the “rules” of engagement and focus on the country programme as the guiding document for all the activities and emphasizes the Partnership for development rather than mere time limited interventions undertaken according to circumstances. In fact, a new thinking emerged, a momentum was created that opened the perspectives of developing countries to see their concerns addressed and embark on a development plan, moving away from the hectic and unproductive routine of preparing proposals, receiving missions and submitting reports.

Improvements on the way International Aid is delivered have been registered, but at a small scale far from the high expectations created with the signing of the Paris Declaration. There was consensus in Paris, and the terms on how the business should be conducted agreed upon, and targets were set to monitor the pace of change to fulfill the principles with the year 2010 as a reference. However, the reality is not encouraging as the change of the situation is not fast enough and the good environment countries in need were hoping for can not be guaranteed. The report published last year on the survey on monitoring the Paris Declaration revealed that the key principles are not being fulfilled and the project approach focused on the donors’ agenda is very much the current state of affairs⁵.

The following chart highlights the progress on the main indicators.

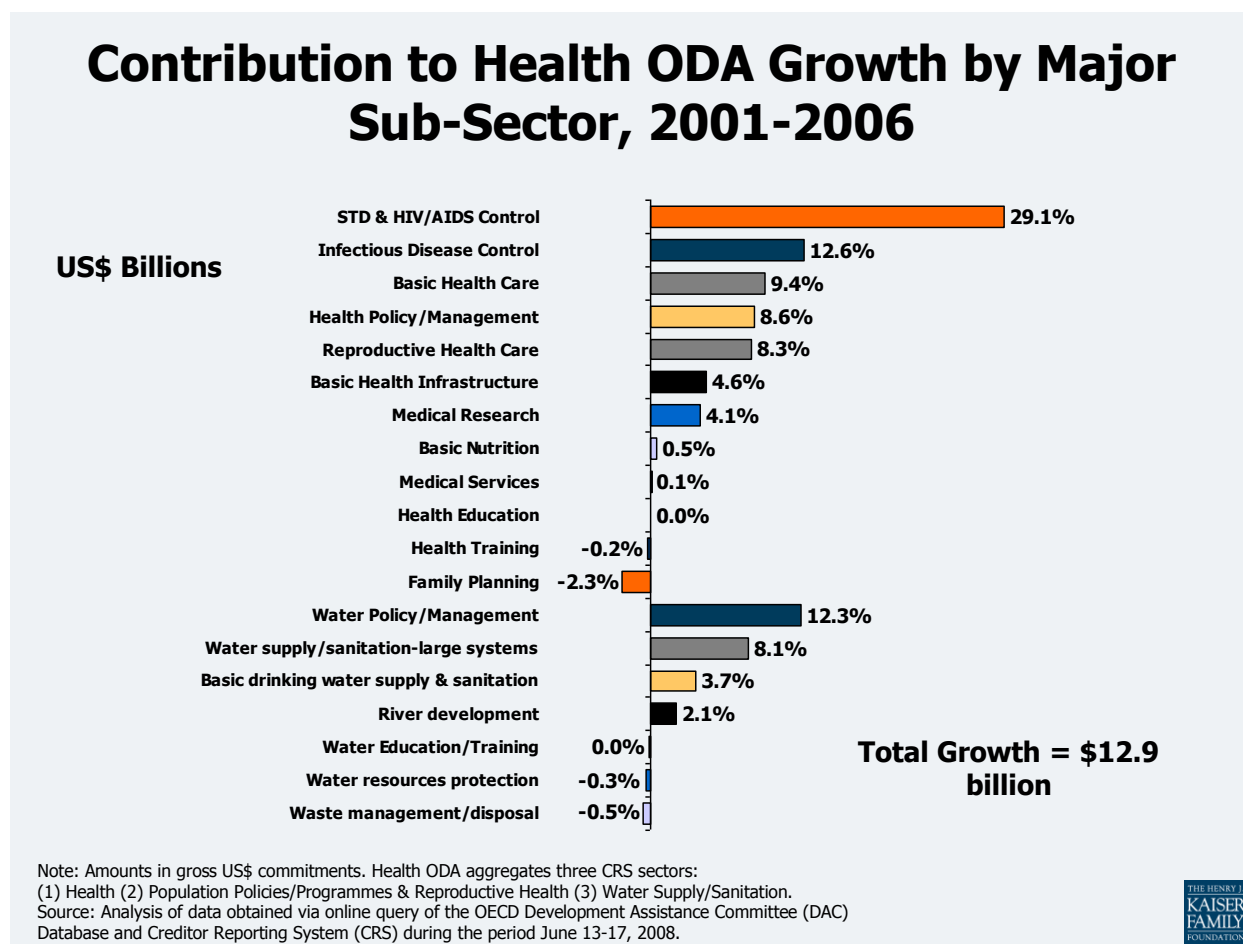
CHART 1.1: How far are we from meeting the targets? (33 countries)



Source: 2008 Survey on Monitoring the Paris Declaration- 3rd High Level Forum on Aid Effectiveness

We are not yet in partnership for development and the agenda still very much skewed towards the donors; it is not the country strategy for development that is addressed but what the country can get from the set of priorities chosen by the donor; furthermore, the conditions under which aid money can be utilized are tight, limiting further the room for manoeuvre by the country authorities. Similar findings were reported at the “Countdown to 2015” Conference in Cape Town last year on the analysis of aid flows for maternal, newborn and child health; only 6% of the Official Development Assistance (ODA) money was channeled through the existing country mechanisms and to fund the overall country programme, the other part, 96%, not only was outside the Government control but also went to specific projects.⁷

International funding for health (including nutrition, water and sanitation) increased considerably in the last 20 years having risen from 7.2 US billion in 2001 to 20.1 billion in 2006. Analysing the distribution of these resources stands out that the disease specific funding supersedes other investments, where funding for HIV/AIDS is 4 fold that of maternal and child health, and a similar gap when comparing the overall infectious diseases control with basic health infrastructure; the crucial area of personnel training received less than 1% of the resources⁸.



Source: The Kaiser Family Foundation

It is correct that the diseases which contribute to high burden in populations receive attention, but the actions have to be in the context of the overall challenges faced by the health sector; for instance maternal, newborn and child health, that together have an yearly death toll of 10 million are not benefiting from the large sums indicated above, and for the case of maternal health there is tiny progress with stagnation in Sub Saharan Africa in the last 20 years. This area requires a functioning health system that has benefitted very little so far. The plight of maternal, neonatal and child health has galvanized new thinking, and now there is consensus that unless the countries have functioning health

systems it will be extremely difficult to improve the health indicators and sustain the actions initiated by taking the opportunity of accessing resources generated through International Initiatives. If a country is able to provide skilled care at birth to most of the pregnant women and offer a caesarean section when the need arises, in a timely manner and performed with the required quality by a properly trained person, that country has a reasonable health system able to deal with other health problems. This is the way forward and the consensus has to be consolidated.

We can do much better, and we need to move quickly. The Paris Declaration has been reaffirmed last year in Accra by the adoption of the Accra Agenda for Action that outlines what to do from the recipient countries through the international institutions up to the donors⁹. The main message is the need for change of attitude and adopt a posture of engagement for development rather than short-lived interventions for charity. International awareness about the importance of health in development is now high, and considerable resources have been made available. However, the problem lies in the way funds are channeled and utilized; it is the donors' and international initiatives' priorities that determines what the money can be used for and how to use it. There has to be a shift in the approach and address the country development strategy instead, get stability in the country and stop the cycles of new plans as there are new initiatives; this is what is called for in the Accra Agenda for Action. It is imperative that the countries get ready, invest in capacity building and retaining it, and have the development strategies ready. Political drive from the appropriate levels complemented by consistency in decision making are paramount for the countries ownership and positioning of the Government to lead the process. Coordination among the different Government Departments has to be structured and the functioning of the ministries guaranteed with well trained staff in place; stability is critical, ministers can change but the lead officials in the ministry and down the hierarchy should be managed differently. Without stability in ministries, and the whole Government machinery, the likelihood of keeping the vision and strategy for development will be slim. Consistency in the implementation of programmes and good monitoring are crucial for the improvements of indicators. Certainly, and it is not desired, this does not mean advocating for long tenure in office, but the high turnover we are witnessing in many countries is one of the weaknesses, and a contributor to the ineffective use of resources.

Globally we need a good synchronization of the different sources of funding and eventually work towards aggregation of funds. If the country development plan is the document to guide the activities by the different partners, our success should be measured against the goals set for the plan; the Accra Agenda for action should be adopted by the governing bodies of the different initiatives and have their institutional frameworks and modus operandi adjusted accordingly. If the problems were identified and the solutions found and agreed upon, it is imperative that all the partners do implement what is proposed in the solutions.

Next step major challenge:

HOW TO MAKE THE "ACCRA AGENDA FOR ACTION" BINDING TO ALL AND HOW TO EXERT ACCOUNTABILITY AT ALL LEVELS.

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