CONFERENCE OF MINISTERS OF HEALTH AND MINISTERS OF FINANCE

VALUE FOR MONEY, SUSTAINABILITY AND ACCOUNTABILITY IN HEALTH:
A NEW GOVERNANCE FRAMEWORK FOR AFRICA TOWARDS AND BEYOND THE MDGs

Tunis, July 4-5, 2012

Concept Note

OVERVIEW

The Harmonization for Health in Africa\textsuperscript{1,2} (HHA) in collaboration with the African Union (AU) and the United Nations Economic Commission for Africa (UNECA) are organizing a Conference of African Ministers of Finance and Ministers of Health on the theme of achieving greater value for money in Health. The conference will strongly emphasise the urgent need to get the best out of available resources in order to accelerate progress towards the health MDGs, which are just three years away, and beyond. The Conference is conceived as the culmination of a process which has involved preparatory work at country level, and the presentation by the HHA of a paper outlining the African Investment Case for Health\textsuperscript{3}. The meeting of Ministers of Finance and Health is planned for Tunis, Tunisia, on 4-5 July, 2012. The Conference will be organized in accordance with the recommendation of a meeting of senior officials of ministries of finance and health hosted by the African Development Bank in Tunis in December 2009, and follow up meetings in Kampala in 2010, Yamoussoukro and Addis Ababa in 2011.

The objectives are to create common understanding of the need to achieve better value for money and accountability in the financing of health in Africa as a key factor for economic growth and sustainable development, and to enhance joint leadership and collaboration between the two ministries. Ministers of Health and Ministers of Finance share common objectives in seeking the highest value for money, making better use of domestic and external resources from both governments and other sources to achieve the Millennium Development Goals, and enhancing accountability for these resources. The conference process is expected to result in the adoption of an “Engagement and Action Framework”, which would be used by governments to engage relevant stakeholders in concrete programmes to move the health MDGs agenda forward, especially improving the capacity to plan and budget for results.

\textsuperscript{1} Harmonization for Health in Africa

\textsuperscript{2} A mechanism to facilitate and coordinate the process of country-led development of evidence based policies, plans and budgets, and to enhance harmonization and alignment in order to strengthen health systems.

\textsuperscript{3} Investing in Health for Africa, The Case for Strengthening Systems for Better Outcomes, HHA, 2011
BACKGROUND AND RATIONALE

The challenge

African people are healthier, wealthier and live longer today than they did in 1990, the year of the MDG baseline values, but progress has been unequal and Africa’s burden of disease is disproportionate to its population size. With 11% of the world’s population, Sub-Saharan Africa accounts for 49% of maternal deaths, 50% of under-5 child deaths and 67% of HIV/AIDS cases. While some improvement in health outcomes has been achieved, progress is still limited, unequally distributed both among countries and within countries and only a small number of African countries are on track to achieve MDGs.

Many factors contribute to slow progress, including the lack of financial resources. Despite new commitments by donors, foundations, the private sector and low and middle income countries following the 2010 UN Global Summit on Women and Children’s Health, more money for health remains a priority. However, there is also an urgent need to improve health systems, strengthen governance and accountability, focus budgets on needs and results, and develop evidence based policies and strategies to maximize value for money. At the operational level, issues to be addressed include inappropriate procurement, management and use of drugs; inappropriate staff mix coupled with a lack of performance incentives; overuse and overfunding of certain health services as well as leakages. Inequity of access to health care also contributes to health sector inefficiency - with the better off capturing the benefits of publicly subsidized health services which often remain inaccessible to the poorest, whose out-of-pocket health expenditures commonly represent over half of a country’s total health expenditure. These high out-of-pocket expenditures can be catastrophic for poor people and are a barrier to equitable access to health care and the achievement of the MDGs. The 2010 World Health Report estimates that globally, “20-40% of all health spending is wasted through inefficiency”. Improving the effectiveness and equitable impact of health spending will not only yield benefits for African populations; it may also encourage Ministries of Finance and donors to invest more in the health sector.

In summary, although more money is needed for health, there are huge benefits to be gained by improving value for the money which is already budgeted. As noted by WHO in its World Health Report 2010 and the following figures (each point represents an African country), some countries achieve more than others with the same level of health spending, which indicates that there is ample scope for efficiency gains.

Although African leaders have committed to increase government health budgets, two-thirds of countries allocate less than 10% of government budget to health. Because health systems are often weak, additional funding may not achieve the expected outcomes. The need therefore is for a concerted effort to make the best out of available public, private and aid resources.

**Actions taken to date**

At the UN MDG Summit in September 2010, Heads of States and governments reiterated their commitment to redoubling their efforts to reduce maternal and child mortality and improve the health of women and children, including through strengthened national health systems, efforts to combat HIV/AIDS, improved nutrition, and access to safe drinking water and basic sanitation, making use of enhanced global partnerships. They stressed that accelerating progress on the Millennium Development Goals related to health is essential for making headway also on the other Goals.

At country level, ongoing health sector reform initiatives have already allowed some countries to make progress on the health MDGs. These efforts need to be pursued and deepened. In particular and most noticeably, several countries are establishing new health sector financing mechanisms, such as Performance-Based Financing (e.g. Rwanda and Burundi) and various forms of insurance against the financial risk of ill health (e.g. Ghana), aimed at raising the efficiency of health spending from both public and private sources. There is also progress in fiscal decentralization, improving human resources for health (e.g. Ethiopia), as well as combating specific diseases such as malaria (e.g. Tanzania). At the same time the public finance management agenda has gained momentum and most African states are in the midst of public finance reforms focused on efficiency, effectiveness, transparency and accountability. Development and use of national health accounts, their congruence and alignment with reform of national accounts more generally, establishment of modern, effective planning and budgeting systems, improved auditing and accountability systems, moves toward fiscal decentralization in many African countries, as well as substantial reforms in governance and accountability, must be as much a part of the agenda of ministries of health as of ministries of finance.

International donors have set up a variety of funding mechanisms to increase the financing available to low income African countries and enhance the impact of external aid. Twenty
five African countries have signed on to participate in the International Partnership for Health and Related Initiatives (IHP+). In addition, development partners have established programs to provide technical assistance and capacity building to strengthen health systems. Furthermore, in line with the Paris Declaration and Accra Agenda for Action, numerous initiatives have been established to harmonize development aid efforts and increase ODA assistance. Among these initiatives, the HHA has documented successful examples of concerted country support in such areas as sector programming as well as capacity building in planning, costing, budgeting and health financing.

At the same time, strong economic growth in Africa, coupled with the entry of a number of African countries to middle income status and the financial crisis which is affecting many traditional donor countries and funds, makes it likely that an increasing share of health expenditures will come from domestic sources, both public and private. Ensuring value for money and accountability for the use of these resources is vital to reduce the financial barriers and ensure access to quality health care by all citizens.

Ensuring value for money will also improve prospects for sustainable donor funding in low income countries. The crisis of the US budget and the Eurozone, coupled with the recent announcement of Global Fund’s suspension of its Round 11, are raising great concerns regarding the medium term aid forecast. African countries must embark on a new agenda for health financing to make the best out of available resources and ensure sustainability of spending.

Dialogue on the value for money and sustainability agenda has started and needs to be pursued. Side panel discussions were held between Ministers of Finance and Health during the AU-UNECA meeting of Ministers of Finance (Addis Ababa, March 2011) and the 61st WHO Regional Committee for Africa (Yamoussoukro, August 2011). These panel discussions were based on a document prepared by HHA, which is known as the “African Investment Case for Health” (available at hha-online.org), which provides a framework for African countries to make their health spending more effective and efficient, and is expected to guide African countries to develop their own investment cases based on their respective contexts. The two panel discussions allowed for frank and constructive exchanges between Ministers of Finance and Health, who expressed a demand for continued dialogue and capacity building on related issues.

Need for further action

Investments in health must be made in a much more cost-effective manner and intra-sector allocations must be made more efficient, so that both existing and additional funds from domestic and international sources result in improved health outputs and outcomes, and faster progress towards the achievement of the health MDGs. International experience shows that the earlier mentioned inefficiencies can be addressed if adequate measures are taken, and three years prior to the end of the MDG count down, governments and their development partners are striving to redress the situation. This joint effort will allow for more to be achieved with already available resources, while also increasing confidence in the health sector’s capacity to deliver results during a time of economic stress.

A key challenge to increasing national health budgets and protecting them during the global economic crisis is the prevailing perception of health as a non-productive sector which does

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6 Benin, Burkina Faso, Burundi, Cameron, Cape Verde, Chad, Cote d’Ivoire, Democratic Republic of Congo, Djibouti, Ethiopia, Guinea, Kenya, Madagascar, Mali, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Sudan, Togo, Uganda and Zambia.
not contribute much to growth and development. This is in part due to the failure of health advocates to demonstrate the positive outcomes of increased health expenditures to key stakeholders outside the health sector such as Ministries of Finance (MOF) and Parliamentarians. In light of the substantial evidence documenting the contribution of improved health to developmental and economic outcomes, it is important that MOFs and other key decision-makers understand the reasons why health expenditures should be protected and increased. It is equally important that ministries of health understand the accountability requirements and fiscal space constraints of ministries of finance.

In this context the HHA, as part of its annual meeting held in Tunis, Tunisia in December 2009, organized a meeting of senior officials from MOHs and MOFs of 13 African countries, with a view to stimulate dialogue between the two ministries on financing for health MDGs and to explore new ways of working together.

Participants in the Tunis meeting and in follow-up meetings in Kampala in 2010, Addis and Yamoussoukro in 2011 recognised that a disconnect can exist between MOHs and MOFs as a result of the fact that these ministries have different identities, cultures, mandates and stakeholders, and that technical collaboration and communication between these ministries, as well as mutual understanding, is often weak. They agreed that MOHs need to make a concerted effort to capture and communicate results of health expenditures and programs, and that a case founded on an evidence-based analysis of results and leading to the presentation of bankable programmes would be the single most effective strategy for MOHs to be more successful in attracting more resources. It was also established that information should be communicated in a way and in a language which are not only understood by MOFs, but also by parliamentarians, other ministries and other stakeholders.

Participants concluded that it is incumbent on both ministries to bridge the gap and that solid political leadership in support of enhanced collaboration is required; they proposed that to narrow the gap, work should be done to strengthen coordination structures between MOH and MOF, strengthen internal capacities within MOH and MOF and develop joint advocacy efforts, among others.

Recognizing the need for country level joint leadership and collaboration between MOH and MOF toward more effective health funding, the participants in the Tunis meeting recommended that (i) HHA should prepare an African Investment Case, a document to help countries make the case for enhanced investments in the health sector, and that (ii) a Ministerial Conference should be held to stimulate dialogue and agree upon a “Tool of Engagement”. The African Investment Case was issued by the HHA in 2011 (see below). The Regional Directors of HHA agencies proposed to organize a ministerial level conference under the auspices of the AU and the UNECA, which have both granted their support to this idea.

OBJECTIVES AND EXPECTED RESULTS OF THE CONFERENCE

The objective of the Conference is to stimulate dialogue and enhance leadership and collaboration between ministries of finance and health for more effective public, private and external financing of the health sector, with a view to urgently accelerate progress towards health MDGs. More specifically the conference will:

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- Create common understanding of the need for more and better utilized resources for health.
- Build consensus regarding the causes of and solutions to ineffective and inequitable public, private and external financing of the health sector.
- Raise awareness and forge consensus on remedial measures.
- Bring successful experiences from Africa and the South to the attention of policy makers.
- Provide a platform for potential new private and public sector partners to enter the field.

It is proposed that participating ministers agree upon and adopt an “Engagement and Action Framework”, which would provide the framework to be used by governments to engage relevant stakeholders in moving the health-MDGs agenda forward. This framework would establish the underlying principles and policy foundations of such an engagement, as well as a commitment toward concrete actions for more effective health sector financing.

CONFERENCE THEMES

The background papers for the ministerial conference include:

a. Proceedings of the Kampala health financing panel session, Kampala, July 2010
c. *Investing in Health is an Investment in Economic Development*. Meeting of the Committee of Experts of the 4th Joint Annual Meetings of the AU/UNECA meeting, Addis Ababa, April, 2011.

The HHA *Investing in Health for Africa* paper makes a convincing case that investing in African health systems can accelerate economic development and growth, contribute to saving millions of lives and move countries along the path to poverty reduction. The AU/UNECA paper *Investing in Health is an Investment in Economic Development* discusses why the decade old Abuja target to allocate at least 15% of national budgets to the health sector has been met in only four AU member states. These reasons include the different identities and cultures of ministries of finance (MoF) and health (MoH); differing mandates and stakeholders; insufficient technical collaboration; compliance issues with MoF requirements; health seen by MoF as an “unproductive” sector; vision/priorities not shared; public finance management and accountability issues; and the inability of MoH to make a compelling investment case. Following on from this analysis, the AU/UNECA document outlines broad themes and topics for a dialogue between the ministers of finance and health:

a. What are the reasons for the current state of low health financing in Africa?
b. What can be done by African countries to improve the situation, increase allocations and achieve targets where this is not already the case?
c. What innovative ways are there for using available resources more efficiently/ effectively (for instance results-based budgeting for health)?
d. What case can be made for health investment and financing, especially for the continuum of maternal, infant and child care?
e. What can both ministries of health and finance do to be more effective in national planning and budgeting processes, implementation, monitoring and evaluation for efficient resource use?
f. What investment case should be made, bearing in mind that investment in health is an investment in economic development?
g. What conditions are essential to ensure that partner support is aligned with country priorities? What can be done to improve transparency and accountability within the health sector and to encourage development partners to use country systems to better
integrate development assistance that is consistent with the Paris Declaration and other commitments on aid effectiveness?
h. What opportunities are there for working more effectively with the private sector, as a key partner in improving health outcomes and making private expenditures more equitable?

Taken together, the two papers provide strong justification and a sound analytical basis for the agenda for the proposed conference between Ministers of Health and Ministers of Finance. *Investing in Health for Africa* identifies the resources needed and the evidence base for sound investments in health systems. *Investing in Health is an Investment in Economic Development* identifies a series of administrative and political factors which impede progress. Using these documents as a foundation, the conference therefore provides a unique opportunity for strengthening the dialogue between the key stakeholders on the “why?”, “how?” and “what?” of investing in health. Finally, the ministerial conference should be able to build on recent Africa-wide political declarations, for example, by AU heads of State (Kampala, 2010) and the second Pan-African Parliament (Johannesburg, October 2011) for policy and budget support for maternal, newborn and child health.

The conference process will strongly emphasize issues related to the efficiency of the use of resources, while also looking at issues pertaining to increased funding, sustainability and equity. Discussions will revolve around the following themes (classified by main domain of relevance):

**Public spending**
- Evidence-based policy
- Improving health systems results orientation and performance;
- Enhancing stakeholder collaboration;
- Public finance management;
- National Accounts, National Health Accounts, Public Expenditure Reviews and Public Expenditure Tracking Surveys;
- Planning and budgeting for results;
- Governance and accountability structures and tools;
- Risks, challenges and opportunities in fiscal decentralization for the health sector;
- Options for sustainable health financing, in particular in the case of HIV/AIDS;
- Health financing mechanisms, which improve quality and access, with a particular focus on Result-Based Financing.

**Private spending**
- Health insurance as a tool to enhance efficiency and equity and to provide protection against catastrophic expenditures by the poor.

**External assistance**
- Improving coordination and harmonization of country and development partner priorities, plans, budgeting, and processes.
- Implications of the economic crises for aid flows

**New Partnerships**
- South – South partnerships, private sector, BRICs
CONFERENCE SET UP

Preparatory work at country level

Preparatory work at country level will aim to ensure that Ministers of Health and Finance are well acquainted with issues corresponding to conference themes pertaining to their own countries before meeting with ministers from other countries. For this to effectively happen, HHA agencies will organize themselves to:

- Co-opt in conference preparation, selected MOH and MOF officials having attended the Tunis Special Session in December 2009 and/or the Kampala, Addis or Yamoussoukro meetings, in order to seek their views regarding the detailed content of country preparatory activities and the July, 2012 ministers meeting; and
- Share responsibilities vis-à-vis the country preparation process. For that purpose, each HHA agency will become the focal agency in 6-7 countries and will coordinate with local offices of other HHA agencies, the lead donor in the respective countries (if not a member of HHA), directors or permanent secretaries of MOH and MOF, as well as other relevant stakeholders.

Expected results of country preparatory work are as follows:
- Adequate communication regarding the conference at country level;
- Effective identification of issues relevant to the conference, feeding in the preparation of conference presentations and draft Engagement and Action Framework;
- Production of concise country briefs, to be used by ministers of health and finance during the meeting of ministers (please see below);
- Where appropriate, production of country presentations to be delivered at the ministerial meeting;
- Timely delivery of logistical arrangements for the ministerial meeting.

Meeting of Ministers of Health and Ministers of Finance

The meeting is proposed to be held in Tunis, Tunisia, from 4-5 July, 2012 and will allow for more comprehensive discussions on health financing in Africa and collaboration between MOF, MOH and other stakeholders. Eminent personalities from non African countries will be invited to present their experience on key issues (e.g. Human Resources for Health, Health Insurance). Key representatives from parliamentary organisations, civil society and the private sector will also be invited. The dedicated meeting of Ministers of Health and Ministers of Finance is expected to result in the adoption of the earlier described “Engagement and Action Framework”.

OTHER CONFERENCE ARRANGEMENTS

Working languages

The working languages of the conference will be English, Arabic, French and Portuguese. Interpretation services will be available. Key documents will be available in both French and English languages.

CONFERENCE FOLLOW UP

The “Engagement and Action Framework” which is proposed for adoption at the end of the dedicated meeting of ministers would be the foundation for stakeholder mobilization and country-level actions under the joint leadership of Ministers of Health and Ministers of Finance. It will
need to be prepared in draft and extensively discussed at the country level prior to the meeting. As countries vary in context, there is no blueprint regarding the exact set of detailed actions that should be undertaken in any particular country. However, it is anticipated that some common processes will be required, such as the incorporation of issues debated during the conference into national strategies, the preparation of follow up programmes and implementation plans, the promotion of stakeholder collaboration and the establishment of reporting and monitoring mechanisms. It is also envisaged that Ministers of Health and Ministers of Finance would continue to exchange and cross fertilize, respectively taking part in MOH and MOF forums at global, regional and sub-regional levels. Mechanisms to enable this to happen need to be considered at the conference.