

Informal Summary of the Thematic Round Table “Trends in Aid and Aid Effectiveness in the Health Sector”

Substantive Session of ECOSOC
High-level Segment, 9 July 2009

Organizers: The roundtable was organized by UN DESA

Participants: Member states, observer states, United Nations organizations, public-private partnerships and civil society

Panel Members:

- Olivier Kamitatu Etsu, Minister of Planning of the Democratic Republic of Congo;
- Anders Nordstroem, Director-General of Sida, Sweden;
- Eckhard Deutscher, Chair of the OECD/DAC;
- Luis Riera Figueras, Director for Development Policy in the Directorate General for Development and Relations with the ACP States of the European Commission;
- Francisco Songane, former Minister of Health of Mozambique and former Director of The Partnership for Maternal, Newborn and Child Health;
- Helen Evans, Deputy Chief Executive Officer of the GAVI Alliance.

Executive Summary:

1. Among the key issues were the questions about how to guarantee more external, predictable and consistent financing for health care, effective coordination among the numerous players in the health sector and coherent multi-sectoral solutions.
2. The panelists underlined, once again, that aid needs to be effective and that the complexity of the aid system needs to be reduced.
3. There was also agreement that the issues are well-known and enough instruments, frameworks and commitments exist in order to take action – now the political will is needed to “get it done”.
4. In particular during the current economic and financial crisis the need for more and better aid for health as well as alignment of the existing resources.
5. Fragile states need special attention by the international community due to their special needs.

Issues and Discussion:

On the last day of the high-level segment, a thematic round table on “Trends in aid and aid effectiveness in the health sector” took place. Under the chairmanship of ECOSOC President Ambassador Lucas the six panelists from governments, public-private partnerships and regional organizations made presentations and discussed the issue of trends in aid and aid effectiveness with member states. All speakers mentioned that there is enough knowledge and agreement on what has to be done to address the main gaps in the health sectors in developing countries. They agreed that while there has been a continuous rise of Development Assistance for Health (about 9% per year on average), many national health systems are characterized by severe under-funding. Various inter-related health challenges, including growing demand due to demographic changes, the rapid growth of non-communicable diseases and injuries, the shortage of health workers and the lack of health knowledge and literacy call for difficult trade-offs by decision-makers and more external and long-term assistance.

All speakers agreed that enough **instruments, frameworks and commitments** exist to take action - now the political will is needed to “get it done”. The 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action assessed what works and what did not work in making aid more effective and shed light on the implementation of the aid effectiveness agenda. Francisco Songane identified the way funds are channeled and utilized as main problem; the donors’ and international initiatives’ priorities determine what the money can be used for and how to use it.

Developing countries are disproportionately hard hit by the **financial and economic crisis** and its effects on funding and health care. Aside from the funding gap, the current crisis has made more evident the need to explore further ways to provide more and better aid for health as well as to build effective partnerships to deliver affordable health services and support preventive measures. Health is fundamental to all dimensions of development and the crisis shows that economic growth on its own does not guarantee sustainable development and social cohesion. Finally several panelists mentioned, the crisis also forces to think about how things could be done better with fewer resources.

The need for more **public development aid for health** as well as innovative ways of financing was mentioned by several speakers. Luis Riera Figueras of the European Commission pointed to the correlation between levels of public funding for health and the access to basic health care services. He underlined that public

financing in most of the countries is a pre-condition for equity of health care and health indicators.

But achieving health results is not just a question of the quantity of resources, but also of quality. Aid effectiveness is geared towards quality, and towards ensuring better and sustainable results. All speakers agreed that in order to make aid more effective the **complexity** of the aid system needs to be reduced; the health architecture must be rationalized, the fragmentation be reduced, and the “initiative-itis” (Deutscher) stopped. There are already too many actors, partnerships and health initiatives and clear rules for coordination are missing. In Cambodia, e.g., there are above 100 health development partners including international NGOs. At the same time, it was mentioned that a **multi-sectoral approaches** are key for success and that next to governments, international organizations and partnerships also civil society, the parliaments and local collectives have to be involved. Also governmental sectors, such as education, finance, transport and infrastructure have to work closely and more efficiently together.

Many speakers and some member states stated that **national ownership** is the most critical condition for effective aid and sustainable results. Aid should match the national priorities of a country strategy and be channeled through the existing national systems. It was also mentioned that many countries do not even have their systems in place and still need “to get ready”. GAVI highlighted that country ownership does not necessarily mean government ownership and that civil society, including the private sector and faith-based organizations have a critical role to play in ensuring results. Helen Evans also mentioned the importance of results and **mutual accountability** and that a results-based approach and a conditionality reduced approach should be reconciled.

There is a need to work more in and with the countries themselves to ensure the financial flows through the inclusion of the income and tax systems and the engagement with the private sector in the development/ health aid (Nordstroem). The Chair of the OECD/DAC suggested that donors should support reforms in developing countries for building and expanding social and health protection schemes – whether through tax revenues or social health insurance.

The Congolese Minister of Planning pointed to the special needs of fragile states and countries emerging from conflict in the area of health, who need more attention by the international community. Especially in fragile states, health care is key to promote economic growth, labour productivity and social well-being. But trade-offs have to be made between the achievement of immediate results and the building of long-term capacity. The Minister mentioned that in **fragile states**, while peacebuilding and strengthening of the state are the main public activities, everything becomes a priority. He reported that in 2007/2008 in DRC

only 3% of the national budgetary resources have been allocated to the health sector which equals with 1% GNP. 90% of the aid for the health sector come from outside donors.

As first respondent Marta Monteso Cullell made a comment on behalf of "Action for Global Health". She stated that the Right to Health should become part of the discussion about aid for health. She underlined the importance of the Paris Declaration and its principles and asked why the international community is not able to move in the direction of the principles. It could be an issue of differing interpretations and the need to better define what an effective health system means and needs. She also mentioned the importance of public financing and contrasted \$100 Billion given for development aid with \$160 Billion lost in tax revenues in the year 2007.

In the following discussion with member states in particular the issues of country ownership, respect for the national priorities and less fragmentation were mentioned. In addition, Switzerland mentioned that health must be more aligned and aid for health channeled through national plans. Burundi underlined that health care should be free of charge for children under five years as well as for women who give birth. China stated that new mechanisms are waste of resources and that the recipient countries are suffering from too many partnerships and initiatives. Sweden, on behalf of the EU, also pointed to the fact that 40 development agencies, 90 initiatives and many NGOs are competing in the health sector. Regular monitoring of the financial flows, accountability, transparency and mutual accountability should be further strengthened. Sudan, on behalf of G77, highlighted that due to the financial crisis 23 African countries cannot achieve a single MDG.