

Action for Global Health Roundtable:

*The EU's contribution to Health as a tracer sector:
Getting a grip on new and innovative aid co-ordination mechanisms for health.*

2 April 2008

Meeting report of the Roundtable

The Roundtable was opened by Mr. **Paul Adamson**, director of the Centre and the chair of the meeting. He welcomed the participants and gave a brief introduction of the Roundtable and its objectives and continued with a short introduction of each of the speakers.

His introduction was followed by Mr. **Frazer Goodwin**, Policy and Advocacy Officer at the European Public Health Alliance, one of the Brussels partners of Action for Global Health. He explained that Action for Global Health aims at promoting both more and better aid, pointing to the fact that even if aid would be delivered 100% effectively, there would still be a big financing gap for health. He also talked about the human resources crisis and expressed his concern about the implementation of the voluntary Code of Conduct on the Division of Labour by the EU Member States. He reminded participants of how timely this roundtable is, given the upcoming adoption of the European Commission's new "Umbrella" Communication, which includes aid effectiveness and which will be the basis for the EU position for the High Level Forum on Aid Effectiveness in Accra (HLF) in September.

The next speaker, Mr. **Dimitrij Pur**, the representative of the Slovenian EU Presidency also highlighted that the Roundtable was indeed well timed as the members of the Development Cooperation Working Group of the Council would be discussing the 'Umbrella Communication' next week. The proposed package will include the main message of the European Commission for Accra on how to achieve the MDGs. In fact, the 1st draft EU statement for use by the OECD in their preparations for Accra (Ghana) had already been presented in February as the EU wants to take an active and ambitious role in the High Level Forum. Mr Pur stressed the need to ensure that the commitments of the Paris Declaration are implemented, before proposing new ones. There should first be a clear indication of progress made on the five commitments of the Paris Declaration: Ownership, Alignment, Harmonisation, Managing for Results and Mutual Accountability. He pointed out that the EU Code of Conduct on the Division of Labour

was intended to help deliver more and better aid, to which the new Member States would start contributing, noting that they were not originally involved in the Paris Declaration. He also mentioned that Climate Change would also be included in the discussion.

Mr. David Daniels, consultant for Action for Global Health (AfGH), drafting the AfGH report on Health and Aid Effectiveness, started by saying that we need to look further than Accra, as that is only an event. Although the report is still a work in progress the first results were emerging. Ownership, managing for results and mutual accountability are important elements of the Paris Declaration. Health is at the heart of the MDGs, as well as being included in many other political statements of intent such as those emerging from G8 Summits. So the time is now ripe to strengthen support for health, including an increasing focus on the need to strengthen health systems, yet at the same time there is a big risk of failure. There have been a multitude of new harmonisation initiatives for health, including a bigger focus on health systems, and the complexity of aid for health has also significantly increased. In spite of the fact that there is a drive for more aid effectiveness, the reality is that there are still frequently too many individual players. He also warned against too many harmonisation initiatives which would be counterproductive. The EU will have to decide how it wants to implement the Code of Conduct on the Division of Labour and how it wants to work with MDG contracting. So far there seems to be little buy-in from the EU Member States. So although more might be done for health, the situation is not really improving. In fact MDG 5 on maternal mortality is even regressing in certain countries.

The speaker then enlarged on the International Health Partnership (IHP) which he identified as one of the more effective initiatives, even though he had the impression that its first targets were the easier partner country options that would deliver results faster.

He concluded his presentation by briefly summing up the initial conclusions of the report: there needs to be a rationalisation of the number of health coordination initiatives which should focus on results; the EU Member States are duplicating their efforts and at times pursuing different priorities in recipient countries, the Division of Labour needs to streamline this; meaningful participation of civil society is needed to move from government-led to country ownership; where aid is provided through budget support, health outcome indicators should be introduced ; there is still a lack of focus on gender; and he highlighted that all the case studies done for the report raised the issue of the crisis in human resources for health.

Mr. Juan Garay, DG Development at the European Commission, started his presentation by saying that in fact the Paris Declaration was not really anything new and he referred to Alma Ata and the sector wide approaches already used by the Commission. However, we are still off track in many developing countries as far as the health MDGs are concerned. In some countries MDGs 4 and 5 even go backwards, while progress on MDG 6 is hard to track. This might partly be due to the fact that non-MDG priorities are more important even if these have a small health risk component. If we want to make progress we need to spend at least 25 – 30 Euros per capita per year on health, but this is far above the threshold for public spending in developing world as it would mean 60% of their total national budget. He concluded that health spending is a public problem as there is a huge financing gap. If the developing countries would implement their commitment made in Abuja on 15% of public spending to go to health, and if the EU Member States would fulfil their Barcelona commitments for 0.53% GNP for development by 2010 it could have a significant impact. Mr. Garay pointed out that in a recent report on EC aid,

accountants had raised the question whether the EC was best placed to play a role in health aid in the developing world. However, Mr. Garay maintained that there is definitely a role for the EC in delivering development aid for health.

The speaker cited the example of Mozambique, a best practice country for the European Commission as far as aid coordination is concerned. But even in this country at least 60% of aid for health goes to specific diseases and there is a fragmented approach to health spending.

He showed compared the volumes of health aid to different aid recipients, including the 'aid orphans', and compared global ODA for health with EU ODA for health. He asserted that the EU health aid was equitable ODA for health. This could also be further improved once the Code of Conduct on the Division of Labour is fully implemented. To support this the EC is drafting a cross-sectoral analysis on EU development aid to decide on where the EC could offer a major contribution and have added value and where the Member States (MS) would be effective without such a Commission role.

The conclusions so far indicate that in 'donor darlings' the coordination between EC and MS is working relatively well, although the Division of Labour principles have not really been applied. However, in 'orphan' countries the coordination is not good, while the incentives for Division of Labour are really limited. When looking at the EC's added value one could identify among others the fact that the EC has a global presence, that it promotes policy coherence and best practices, and that it facilitates coordination and harmonisation (all in accordance with the 'European Consensus'). However, its real health expertise at country level is very low.

Before concluding Mr. Garay also said a few words on the proposals for MDG contracting. Although the EU Member States have not yet fully embraced the principle, he believed it would contribute to more predictable aid as it had a timeframe of 6 years compared to the 3 year time span of development aid at present. Proper indicators will still need to be developed however. He finished by saying that he thought that the EC's main strength lay in its convening powers and that the EC has to play a strong role as convenor rather than be one of 28 EU donors.

At this stage the chair proposed a brief round of questions before going to the next two speakers.

Questions:

- Is MDG contracting mainly focussing on health and education and how does it fit in with General Budget support?

Answer by Mr. Garay: MDG contracts are guaranteed for 6 years, albeit that it is paid in 2 tranches of 3 years each. Indicators on health and education are to be developed to guarantee that money will go to those sectors.

- The Financial Perspectives and the EDF both end in 2013. It is now 2008 and the MDG contracts have not been signed yet. How can you guarantee the 6 years?

Answer by Juan Garay: The EC hopes that Member States will help complete those years that are still left after the time allowed after 2013 has been used.

- Absorption capacity has not been mentioned in this meeting or in the Paris Declaration. Does it figure at all as a criterium for your evaluation? And would you have any positive examples for Africa?
 Answer by Mr. Daniels: When discussing absorption capacity for instance when discussing the human resources for health crisis one has to realise that technical and administrative staff are also part of human resources for health. There are initiatives for capacity building that include these.
 Answer by Mr. Garay: There are 4 countries in Africa that are on track. They are relatively rich except for Eritrea. This means that wealth is not the only factor, which makes it very interesting.

- Could Mr. Garay give some more information on the EC's role as convenor? So far the Division of Labour has not had any concrete results. How is it being decided which donor will take the lead in a country? Mr. Garay had mentioned a SWAP revival. How does he see that?
 Answer by Mr. Garay: Within the EU ODA contribution the EC's share will be going down from 20% to 15% as the Member States will be increasing their shares, while the total will also go up, so then the convenor's role will be more effective.
 There are already some countries where Division of Labour is working, e.g. Sierra Leone (UK leads on health), Somalia (Italy leads on health), South Africa where the EC is leaving the health sector.
 SWAPS are crucial for the delivery of Aid Effectiveness in Mr. Garay's view.

The next speaker was **Ms Elodie Montetagaud**, from the French ministry on Foreign and European Affairs. She pointed out that health is an intrinsic human right and has an important role to play in poverty reduction and socioeconomic development. However, there is a serious financing gap. There are a series of interesting initiatives such as the International Health Partnership (IHP), the Global Campaign for the Health MDGs, Providing for Health (P4H). Only the P4H (on universal health coverage) and the International Consortium on Social Health Protection focus on social health protection and on the fight against out of pocket payments. France is one of the main contributors to the Global Fund to Fight AIDS, Malaria and TB, while it has also initiated UNITAID, the tax on air tickets, as an innovative financing tool.

During its EU Presidency, France will focus on social protection, and this focus will be broader than ACP countries as the EU is already strongly engaged in ACP countries. Social protection and tackling the critical shortage of health workers are closely linked and are part of the issue of health system strengthening (HSS). They are relevant at the regional level (for instance, in Asia Thailand is taking the lead in Social Health Protection). It is important to work on these topics both from the supply side (strengthening governmental support for health care) and demand side (helping households getting more disposable income). On 7 May 2008, Minister Kouchner will be hosting an international conference for Finance and Health ministers of 40 developing countries, Development ministers of the Member States, international organisations, CSOs and the private sector in Paris on Social Protection. The objectives of this meeting are to mobilise the international community and generate more investments of the HSS actors, document the lessons learned in the area of social health protection and to set up a study on innovative financing as a possible solution to fill the financing gap.

The speaker pointed out that the EC should document the lessons learned. As part of the French EU Presidency the speaker mentioned the technical meetings already taking place, as well as the Informal meeting of Development ministers (28-30 September 2008), the GAERC (10-11 November 2008) and the development of a an EC Communication on social protection which will be followed up during the Czech EU Presidency and presented during the Swedish EU Presidency. Ms Montetagaud finished by saying that health risk coverage would be France's priority during its Presidency.

The next speaker, Ms **Elisabeth Sandor**, OECD DCD, stated that the work on aid effectiveness in health derives from the different International High Level Fora on the Health MDGs which brought together the major players. She gave a brief overview of what had taken place before the HLF that is to take place in Accra in September 2008. Because of the challenges and lessons from health in Aid Effectiveness, health has been proposed as a tracer sector to monitor the implementation of the Paris Declaration. Although health captured a large part of the ODA increase, more is needed if the health MDGs and other internationally agreed goals for health and HIV/AIDS are to be achieved. Currently there are uncertainties about future increases of aid and so far the bulk of these increases have been going to specific initiatives and to few bilateral programmes (PEPFAR). However, as a result of the proposal to have health as a tracer sector other sectors are now also being proposed as tracer sectors. This can be detrimental to the support for health. OECD has set up a taskforce to work on health as a tracer sector and contribute to the preparation of various inputs for the 3rd HLF in Accra. She pointed out that over the years development aid for health has changed with a bigger role for bilateral agencies and other multilaterals. This also had consequences for the commitments of the Paris Declaration: Ownership, Alignment, Harmonisation, Managing for Development Results and Mutual Accountability. The large number of players makes it challenging to deliver on better aid for health which is so badly needed. That is why it is important to have a division of labour to increase aid effectiveness. MDG contracting could also contribute as it offers predictable support, particularly to well performing countries and it can give better results under conditions, but donors need to support recipient countries to design and implement sound health MDGs oriented strategic plans. There has been some progress: an informal group of health agencies and IHP members have been discussing the division of labour. A working group on Global Programmes has recently met for the 3rd time to discuss best practice and lessons learned for implementing the Paris Declaration; there are emerging compacts for mutual accountability in a set of countries. Among the remaining challenges are the need to harmonize monitoring and evaluation (M&E) mechanisms to develop real country M&Es and the need for behavioural change. Donors, for instance, can be slow in adapting to progress and reforms in countries and have to adapt their systems to the requirements of aid effectiveness.

The speaker then briefly commented on the HLF preparations. She claimed that CSOs were much involved as they are member of the Advisory Group on CSOs (AG-CSO) for instance. Looking at some of the proposed Roundtables (RT) during the Accra meeting she pointed out that while RT 8 was originally planned to discuss health, other sectors had been added and the idea was to look at lessons learned, also looking at the links between sectors and how to work with six priority areas identified by partner countries as well as cross-cutting issues. RT 9 will be discussing Global Health Programmes. The Forum will offer opportunities for case studies from the recipient countries. There will be an Accra Action Agenda with recommendations, but it will tackle general issues and will not be envisaged at the sector level.

She concluded her presentation by saying that there should be a monitoring process at all levels, using the indicators in the Paris Declaration, which are also applicable for health. Long term support and monitoring are essential to ensure progress for health in developing countries.

During the debate the following comments were made:

- Failure to reach the health MDGs should be the guiding principle when talking about aid effectiveness. More money and more players are needed especially in vulnerable countries.
- The discussion between vertical (disease specific) and horizontal approaches is futile as they are complimentary.
- The role of the private sector is more than just being philanthropic. Re-investment in health has a positive effect at all levels.
- MDG contracting has not yet been adopted by the EDF committee as there seems to be no buy-in. Will it ever be adopted? If it is adopted what will happen to those countries that do not qualify?

Answers by Juan Garay on the first few questions/remarks: The discussion between vertical and horizontal approaches is needed as otherwise actions could be mutually damaging or competitive.

Mr. Garay was convinced that MDG contracting would be agreed by the EDF Committee. However, it would be awkward to build in safety valves in the eventuality of countries not fulfilling the criteria, as the agreement is to give budget support for 6 years. Some Member States are therefore more in favour of SWAPs and Basket funding. In his view there is not much difference between Sector budget support and general budget support as the first is only nominally earmarked based on sector dialogue and sector specific indicators. In both cases the money goes to the national Treasury.

The countries that do not have an MDG contract still get general budget support. It is important that capacity building for governance is supported.

Second set of questions/remarks:

- The EC has a clear role to play in health as the Commission White Paper on the EU Health Strategy gave commitments to secure health in all policies, including support for health at the Global level.
- There has been no public consultation for the drafting of next week's communication. However, the EC has committed itself to do that on its proposals.
- What will be the position of the French presidency on the Division of Labour?

Answers given by Mr. Garay: the White paper on Health has been developed on health for the EU citizen. However, the European Consensus also gives the EC a role in supporting health, but the last policy paper on health dates from 2001.

As far as the CS consultation on the Communication on Aid Effectiveness is concerned he will check with his colleague dealing with this.

Answer given by Ms. Montetagaud: There will be a meeting on the division of labour on Friday 4 April, so she will have an answer after that.

Final set of comments/questions:

- A group of countries are always quoted as bad performers, yet so far the commitments in the Paris Declaration have not brought any improvements. The

- HLF in Accra will be evaluating progress, but are the donors also thinking of changing or improving the delivery of aid?
- A lively debate then emerged over the role of global vertical initiatives such as the Global Fund and GAVI.
 - The question that commenced this debate was one questioning the role of the Global Fund, when progress towards achieving the health MDGs require governments building health systems and countries that have the absorption capacity get financial support through the national budget?
 - Response: The Global Fund was originally set up because nothing happened on building health systems, so a vertical approach was needed. Other international initiatives such as GAVI were set up for the same reason. However, now it would be good to set up an integrated health service delivery platform, which can help deliver health aid through both vertical and horizontal approaches.
 - Another new funding initiative is the International Financing Fund for Immunisation (IFF) that works on the principle of frontloading of funds (issue of bonds to be paid for at a later date). Donors have signed legally binding agreements on this. GAVI is a recipient of these funds.
 - The EC will be looking into the issue of whether vertical approaches sufficiently include health system strengthening elements.
 - It was asserted that the IFF is in fact a mortgage for immunisation and indirectly for health. Would it not be better to give this support through budget support, which would be a quicker way to deliver aid?
 - So far NGOs have been working through project-based aid. Why would they not start working with SWAPs? Who are NGOs accountable to as far as aid effectiveness is concerned? Is project-based aid effective?

After this comment the chair thanked the speakers for their interesting presentations and the participants for their contributions to a lively debate. He had the impression that the meeting had been very timely and a success and hoped that it would put health higher on the aid effectiveness agenda.