

Sustainable Transition from Aid– towards value for money for equitable outcomes and moving beyond ‘disease silos’

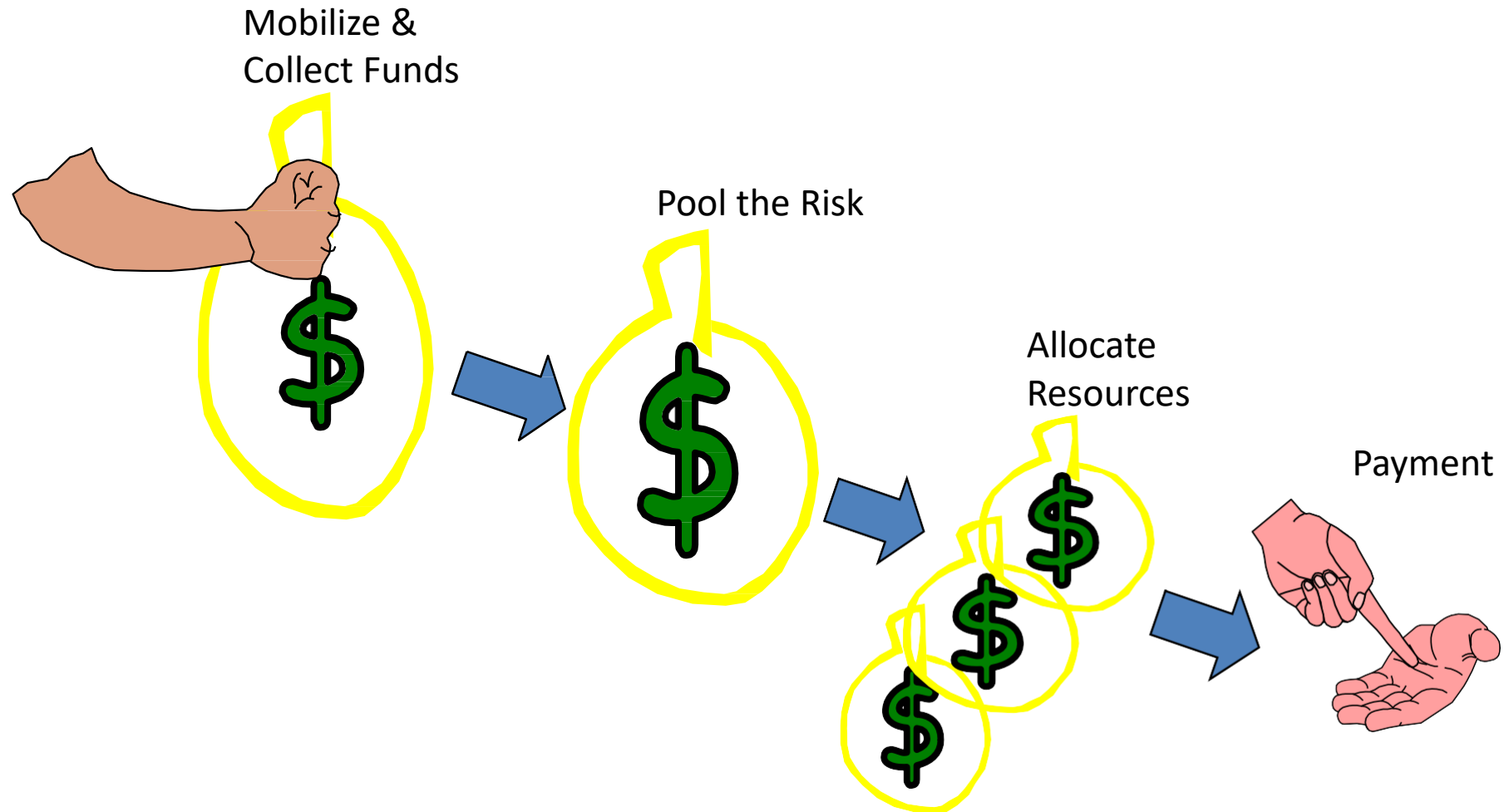
# Context

- Inequity in health outcomes within and across Member States persist
- Still persisting high burden of ill health and death
  - Dual burden of communicable and noncommunicable conditions
  - A lot of effort needed to sustain gains in communicable conditions
- Changing context in countries
  - Demographic changes: Youth bulge, ageing populations
  - Economic changes: Economic growth, driven by specific sectors (or populations)
  - Social / cultural changes: Urbanization, informal settlements,
  - Environmental changes: Climate change and effects on development

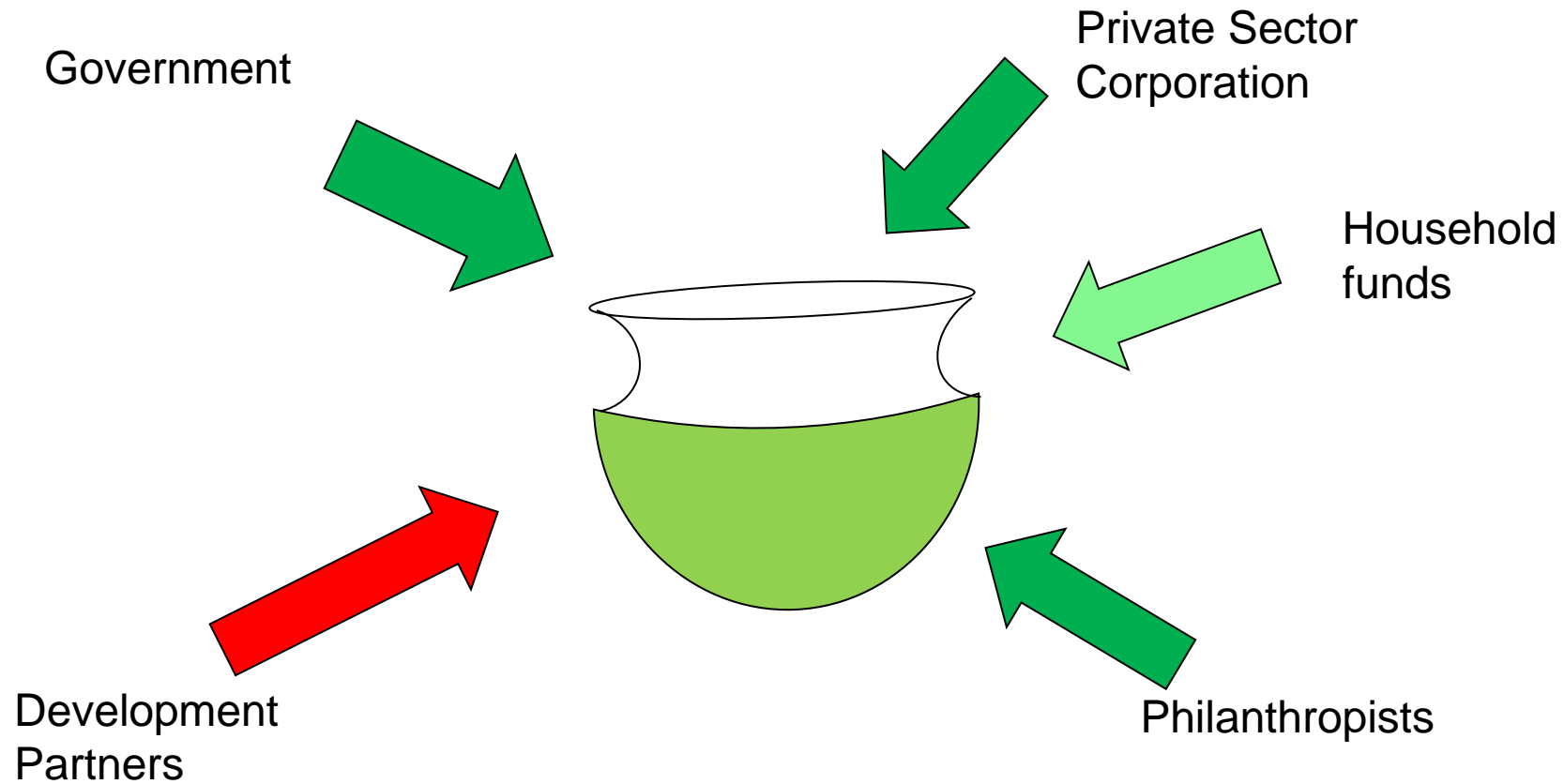
# Context Cont.,

- Health care financing remains is a critical element of the social and economic development of a county.
- An appropriate health financing mechanism enable achievement of health sector goals ensuring access to quality and affordable health care.
- Properly designed health financing systems result to;
  - Evidence-based planning,
  - Effective human resources planning,
  - Proper and effective coordination,
  - Political goodwill
  - Efficient and effective service delivery

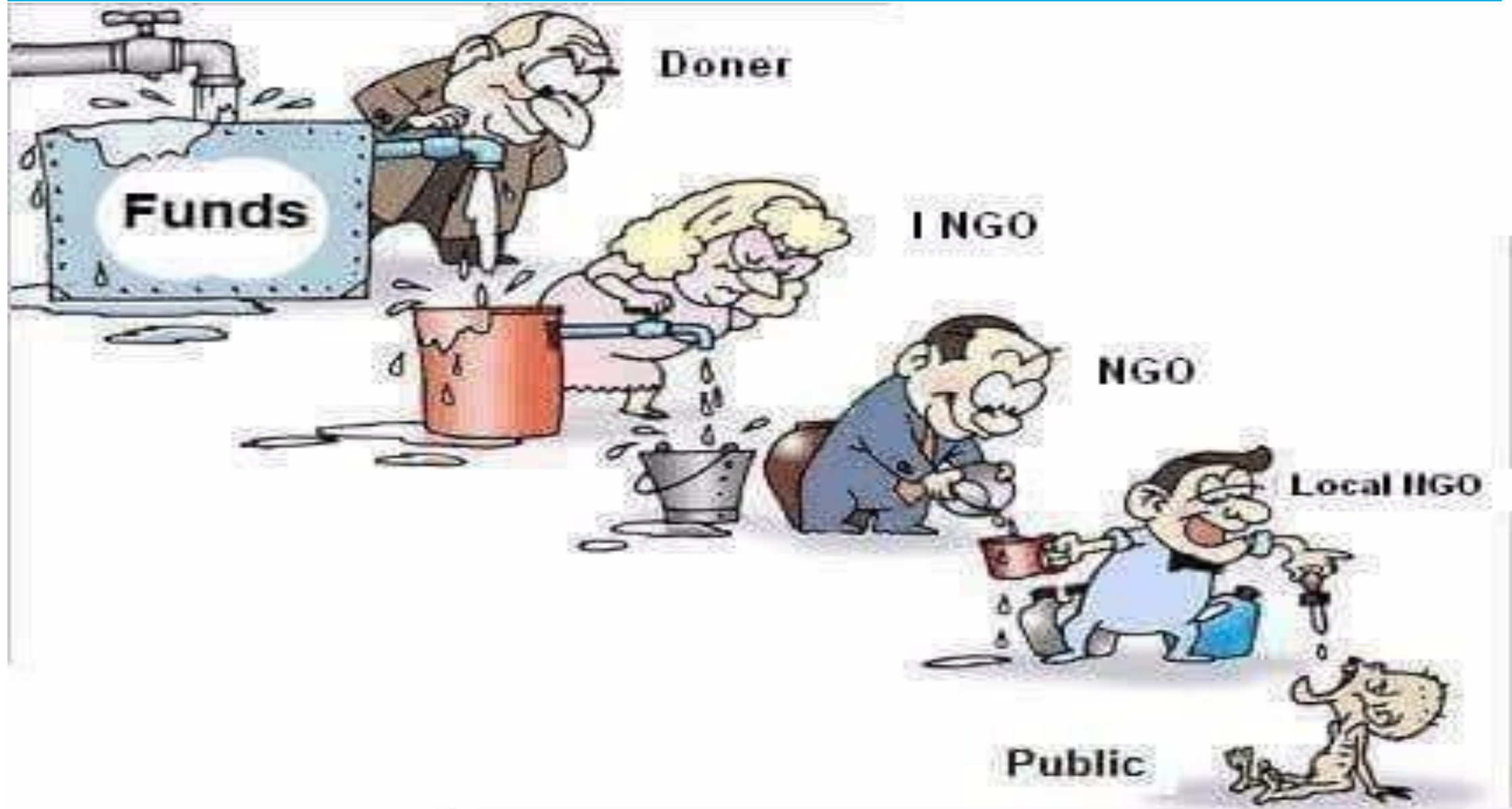
# Financing is NOT just about raising more money



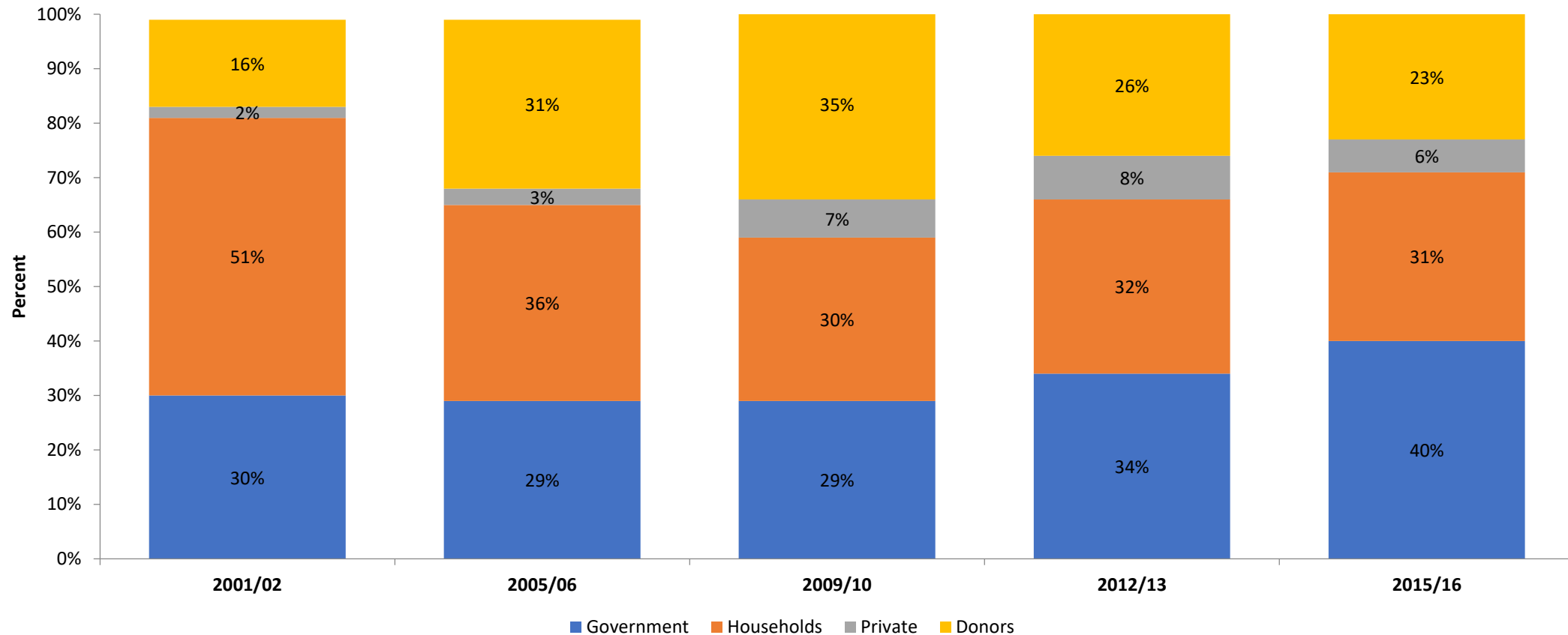
# Sustainable Health Financing



# Financing system efficiency ?



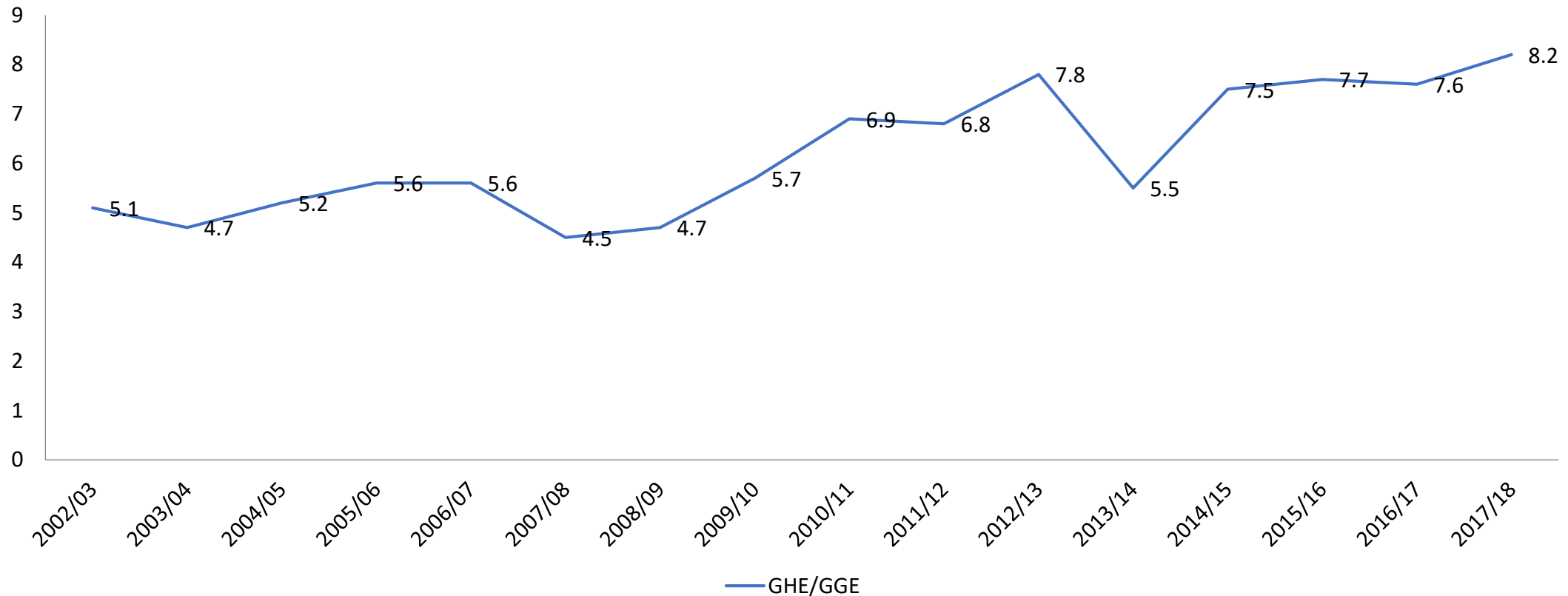
# Sources of Health Financing, Kenya



**Source:** National Health Accounts (Ministry of Health, 2017)

- Still the Out of Pocket Payment is high
- Concerted efforts by government to increase funds for health

# Prioritization of health within government budget



Government Health Expenditure (GHE) / General Government Expenditure (GGE) still below Abuja Target



# Financing issues Facing health systems in developing countries

- Developing countries donor funding plays a major role in financing health.
- Major vertical programs relies heavily on donors finance specifically for treatment and strategic commodities.
- Donor support is declining while the government has Not increased funding to bridge the gap
  - GDP growing, without commensurate increases in health spending.
- The implication of transitioning to a lower middle income country
- The widening financing gap as we move to UHC e.g. achieving the Global UN targets e.g. UNAIDS 90-90-90 targets.
- The available fiscal space limits expansion of funding to the health sector

# Health system strengthening to mitigate challenges of sustainable transition from aid.

- i) Reprioritization of public spending towards health** - Increasing public expenditure is key to sustainable financing though this has to take into consideration fiscal space and sustainability trade-off.
- ii) Development of various pooling mechanism to reduce out of pocket spending by household.** No country has ever achieved UHC with voluntary contributions.
- ii) Earmarked Funds**

Size of revenue pool that can be captured from increased tax administration efficiency is significant and can benefit the health sector. (Earmarked funds introduce rigidity in the budgeting process and the global experience is that earmarks do not achieve desired objectives.
- iii) Efficiency Savings**

Addressing inefficiencies in health sector service delivery can result in high efficiency gains in health e.g. one health approach/integration approach

# Conclusion

- Increase public spending on health to the international recommended targets;
- Mobilize more domestic resources to ensure sustainability of provision of health services in view of reduced donor funding.
- Expand health insurance (pooling) to reduce the high OOP;
- Expansion of insurance - good catalyst for increasing access and reducing OOPs
- Explore alternative innovative financing mechanisms such as PPPs);
- Ensure efficiency in the utilization of allocated funds.
- Align spending to address health outcomes and disease burden.

**Je vous remercie**