

Resource Tracking in Health – Ethiopian Experience

Countdown 2015

Cape town South Africa

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Background-Ethiopia

- Land size: 1.1 million sq. kilometers
- Population: 77 million
- Federal administration:
 - **federal government**
 - **9 regional states**
 - **2 city administrations**
- Health
 - Potential coverage: 77%
 - Average life expectancy: 54 years
 - Total Health Expenditure Per Capita US\$7.1
 - Child health Coverage
 - DPT3 73%
 - Measles 65%
 - Fully immunized 53%

Resource tracking-Background

- The purpose of RT is to inform the decision making process and thereby enhance health system performance
- NHA is **internationally accepted methodology** for analyzing the flow of health resources (it offers an international standard to allow policymakers to make comparisons.)
- NHA analyses the flow of health resources through **the entire health system** from the source of financing to the end purchase of health care goods and services.
- NHA is **Inclusive of all financing actors-** public, semi-public, and private.

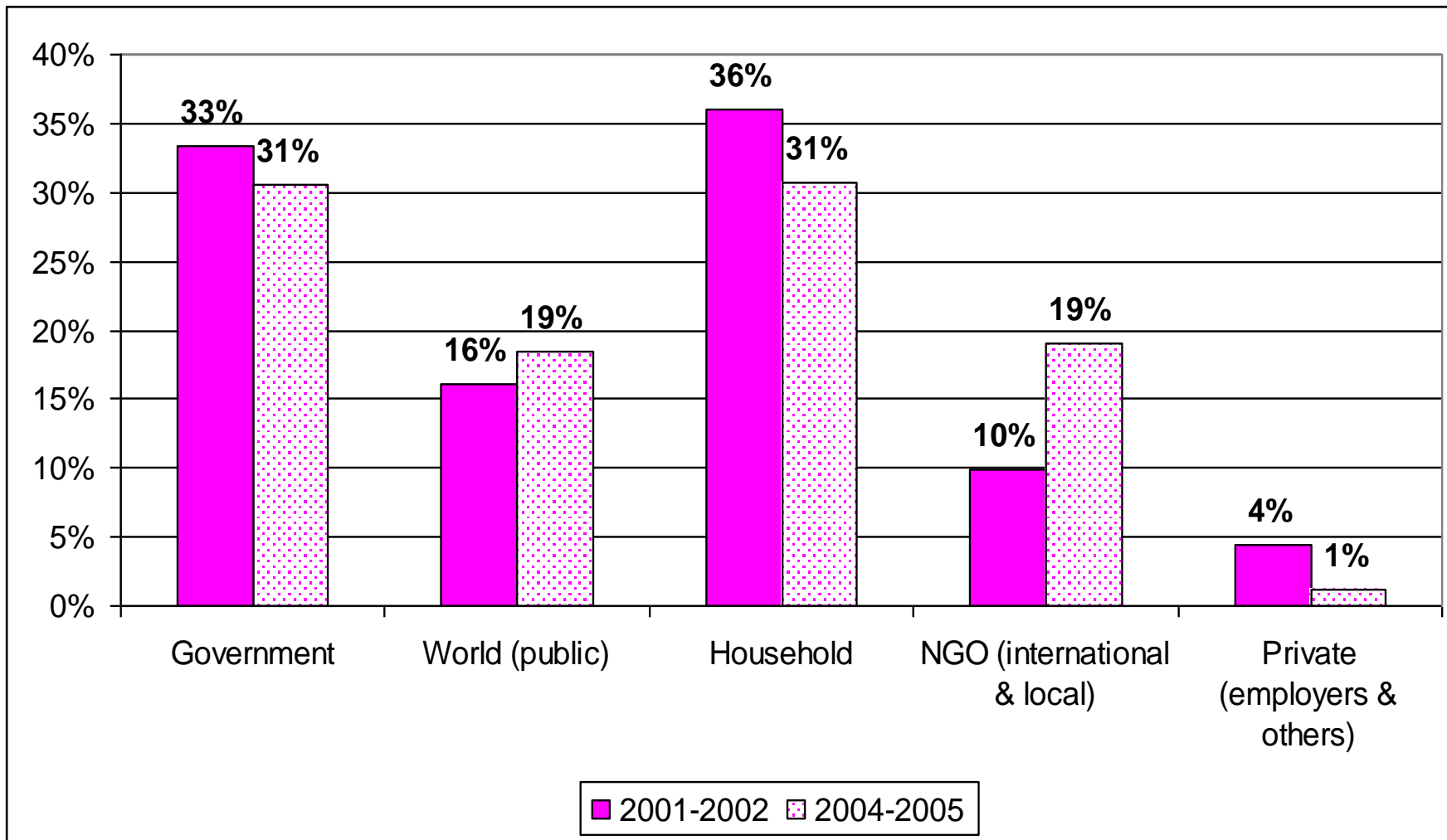
Resource Tracking in Ethiopia

- Ethiopia conducted 3 rounds of NHA
 - Round 1 in 2000: Based on 1995/96 data
 - Round 2 in 2003: Based on 1999/2000 Data
 - Round 3 in 2006: Based on 2004/5 Data
 - Round 4 is currently initiated
- Better experiences gained in conducting and analyzing NHA, and progresses are made in terms of improving the NHA exercise in Ethiopia (sub analysis for RH and CH conducted)
- Institutionalization of the methodology well underway

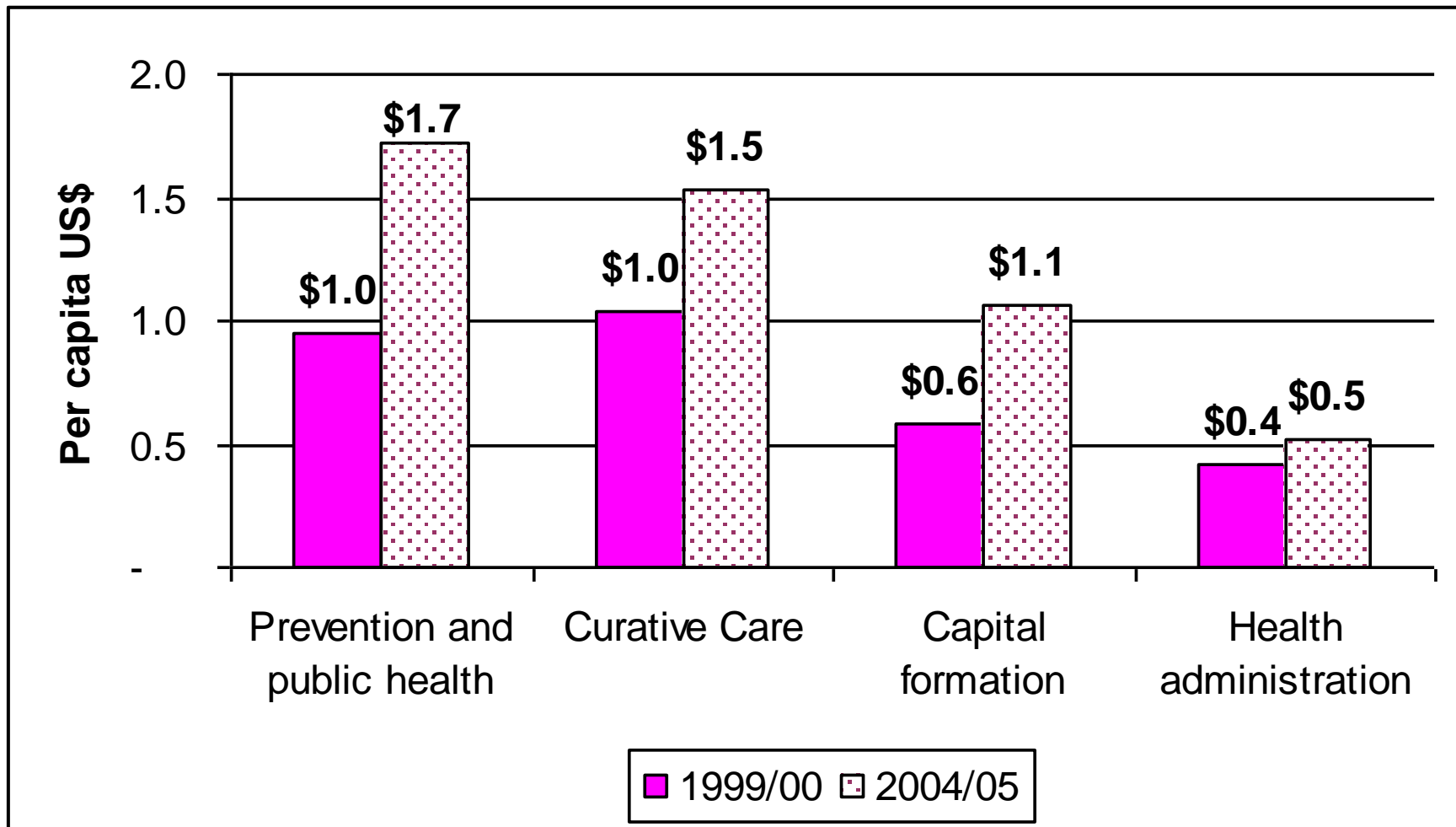
Trends of Health Expenditure

	NHA 1	NHA 2	NHA 3	Rate of Increase 1995/96-2004/05
	1995/96	1999/00	2004/05	(%)
Total spending as a share of GDP	4.1%	5.3%	5.6%	37%
Total spending US\$ per capita	4.09	5.60	7.14	75%
Public spending as a share of GDP	1.7	2.74	2.76	62%
Public spending US\$ per capita	1.65	2.77	3.52	113%
Private spending as a share of GDP	2.4	2.8	2.84	18%
Private spending US\$ per capita	2.43	2.82	3.62	49%

Who Finances Health?



For What Purpose ?



Sub Analysis

- Two sub-analyses
 - Reproductive Health
 - Child Health
- Expenditure Share out of total Health
 - Reproductive Health: 12% (~552 million birr)
 - Child Health: 19% (~866 million birr)

Who finances and manages CH & RH resources?

	CH	RH
Source of Finance		
Government	23%	19%
Private	42%	37%
Rest of the World	35%	44%
Management of Resources		
Government	45%	27%
Private	44%	53%
Rest of the World	11%	20%

For what purpose

Function	CH	RH
Curative	29%	23%
Drugs	30%	25%
Prevention	20%	35%
Capital Formation	19%	17%
Other	2%	0%

Benefits of NHA

- Used as a advocacy tools to promote design and implementation of HCF Reforms.
- Inclusion of per capita health expenditure in the performance indicators for the Health Sector Development Program (HSDP) – to raise it to US\$9.6
- Ethiopian NHA results being used for policy decision making and for international comparisons
- Strong buy-in from HPN donor group
- Integration with WB 2003 Public Expenditure Review which focuses on health and education

Costing methodology

- Marginal Budgeting for Bottlenecks
- Applied in costing:
 - National Child Survival Strategy
 - Health MDGs Needs Assessment
 - Health Sector Development Program III

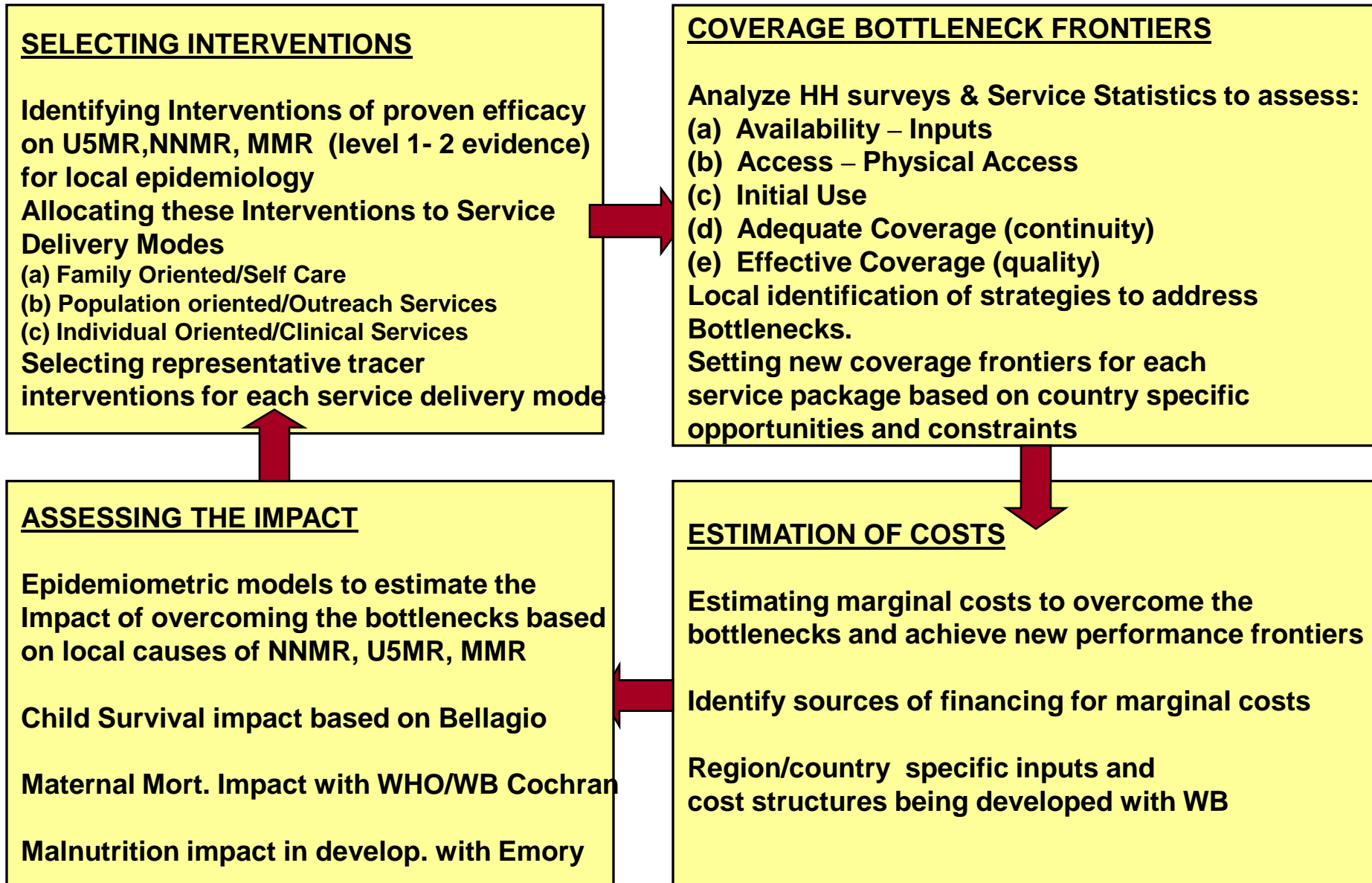
MBB – a three question tool

1. What are major health system bottlenecks hampering delivery of health services?
2. How much money (**additional**) is needed for expected results?
3. How much can be achieved in health outcomes by removing the bottlenecks?

MBB tool analysis steps

- Identifying high impact interventions
- Identifying bottlenecks
- Setting health services coverage targets (frontiers)
- Estimating impact and cost of service delivery options

MBB modules & implementation cycle



Identifying bottlenecks

**Effective Coverage -
quality**

**Adequate coverage -
continuity**

Utilization – first contact
of multi contact services

Accessibility – physical access of services

Availability - critical health system inputs

Issues in Financing

- Ethiopia's spending on health care is far from adequate for delivering essential health care services as recommended by WHO. This calls for substantial increases on the present levels of health expenditure as well as improving efficiency of resource utilization.
- reliance on external assistance which is largely earmarked to vertical programs,
- significant out of pocket expenditure, which is not pooled and managed by intermediary and which is less equitable
- Donors' expenditures –both public and through NGOs- increased faster than domestic funding
- HIV/AIDS represents more than 60% of donor funding pledges
- While a financing gap remains for health system and child health, even for scenario 1

Issues cont'd

- **Budget Structure:** Organization of budget and expenditure based on line items gave no information on **how much is spent** on each health program interventions including child health this did not allow for a visualization of children in the budgeting and expenditure processes.
- There is no mechanism to ensure that child health priorities are maintained in resource allocation and expenditure priority at each level.
- Child health is mainly financed by households followed by donors
- Child health is also mainly spent on Curative and drugs
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ETHIOPIA

