Countdown to 2015
Maternal, Newborn & Child Survival

The MNCH funding gap

Peter Berman
The World Bank

Reporting on work done by the London School of Hygiene and Tropical Medicine
On behalf of the Financing Working Group of Countdown 2015

Women Deliver
June 8, 2010

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References

Greco G, T. Powell-Jackson, J. Borghi, A. Mills. *Countdown to 2015: the Financing Gap for Scaling up Child, Newborn and Maternal Health*, Draft report May 2010

Karin Stenberg (WHO) and Howard Friedman (UNFPA) for the MDG 4&5 costing and impact estimate group (2008), *Approach taken to update WHR 2005/ MNCH+FP costs for the first year report of The Global Campaign For The Health MDGs,* WHO, UNFPA, UNICEF, UNAIDS, World Bank, Aberdeen University, Southampton University, John Hopkins University, and NORAD

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Purpose of the analysis

- To estimate the availability of financial resources for MNCH under different assumptions
- To compare this with the resource requirements for scaling up effective MNCH service coverage
- To give “an order of magnitude” of the financing gap for the 68 “Countdown” countries

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Methods

- Total and per capita health expenditure trends 2000-2007, from NHA data on government, private and external spending
- Projected total health expenditure from 2008 to 2015 under different scenarios for each of the 68 countries, additional to baseline 2007 values
- Estimated country spending on maternal, newborn and child health using methods of apportionment based on available CHAs and RHAs
- Costs from the *First report for the Global Campaign for the health MDGs*
- Measured the financing gap on a yearly basis, as the difference between the additional costs required to scale-up MNCH interventions and the additional projected MNCH expenditure available, per each country
- Aggregated financing gap figures excluded years that reported a financial surplus

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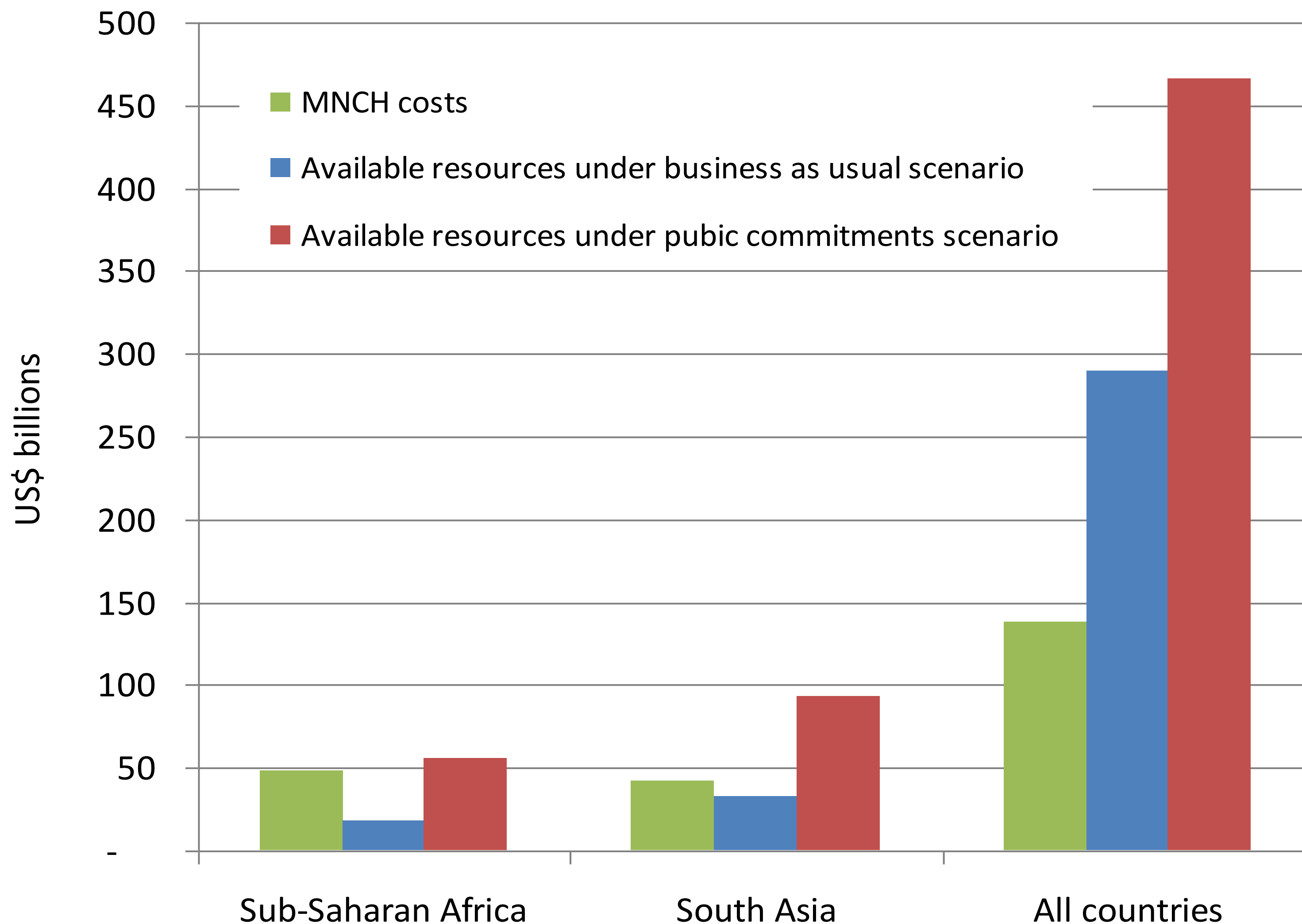
Resources needed and available over the period 2008-2015



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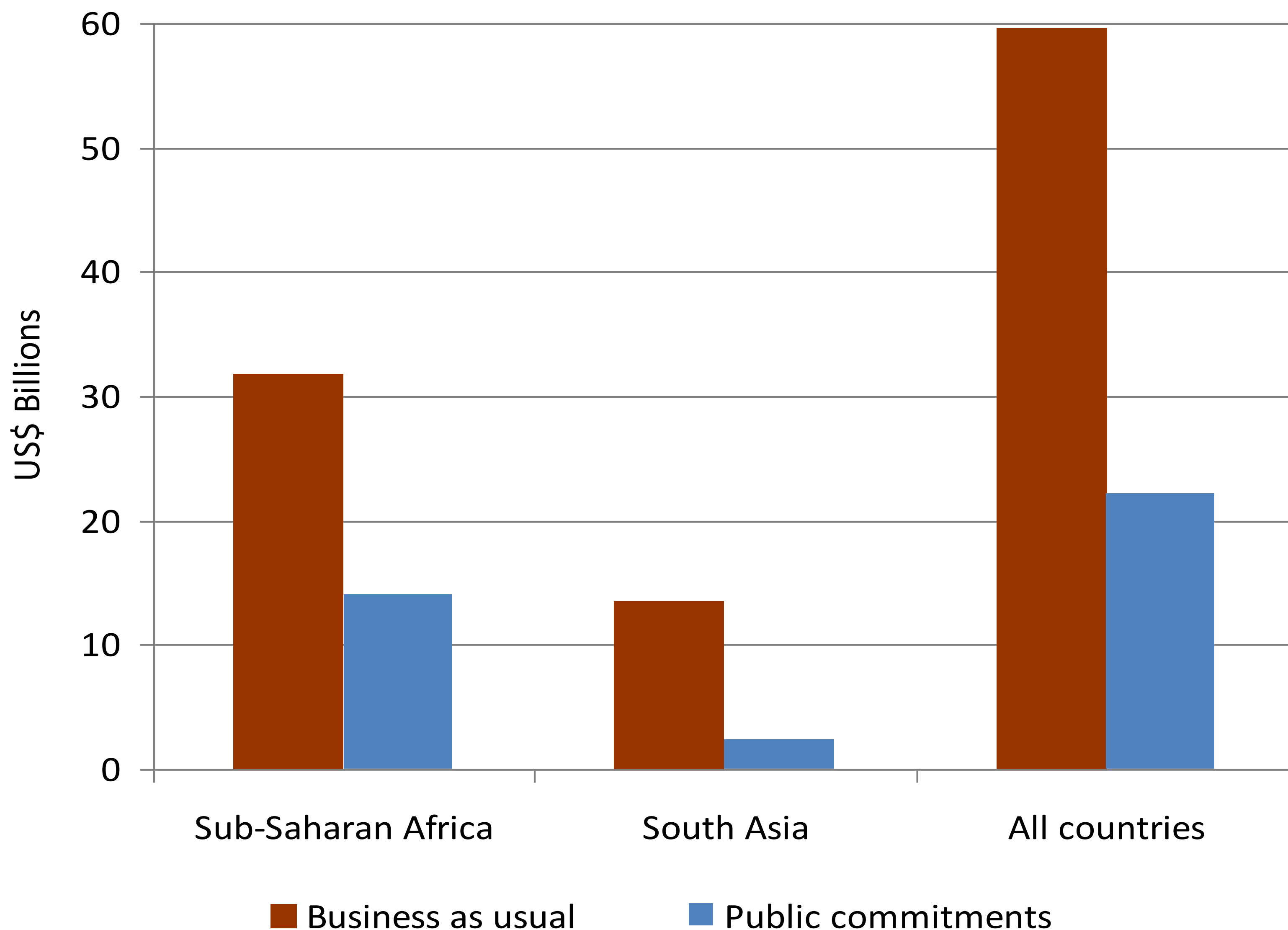
The financing gap by regional groups



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Main assumptions for projecting public and private health expenditure

Variable	Scenario 1: Business as usual	Scenario 2: Public commitments	Source
GDP	Country-specific annual growth rates		IMF - WEO
Ratio of general government expenditure to GDP	Average 2000-2007		WHO - NHA IMF
Ratio of general government expenditure for health to general government expenditure	Average 2003-2007	Linear increase to 15% for African countries Linear increase to 12% for non-African countries	WHO - NHA Abuja Declaration
Private health expenditure	Increases in line with real GDP growth from 2007 baseline value		Best guess
Distribution of external health expenditure among public and private financing agents	Country-specific estimate		IHME

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Main assumptions for projecting external health expenditure

Variable	Scenario 1: Business as usual	Scenario 2: Public commitments	Source
Annual real GDP growth in donor countries	2% per annum		OECD - DAC
Ratio of ODA to GDP in donor countries	2008-2015 remains constant at 2007 ratio	Linear increase to 0.7% in 2015, or the ratio committed to in 2010, whichever is higher Exceptions are Japan and US: linear increase to 0.3% in 2015	
Distribution of ODA to health and across study countries	2008-2015 remains constant at 2007 apportionment		

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The resource requirements

- Estimated incremental cost of scaling up family planning, maternal, newborn and child health services to reach 95% coverage in 68 countries
- Included program and health systems costs (e.g. CHWs, HR training, new infrastructures, ambulances, financial incentives)
- WHO – CHOICE 2005 unit costs

Total Health Expenditure

- Projected three components of THE (public, private and external) from 2008 to 2015 under different scenarios
- At baseline, 70% of CD countries spent less than US$ 54 per capita on health
- In 2015, if commitments are met, 32% of countries will spend less than US$ 54 per capita
- Composition of THE varies across countries

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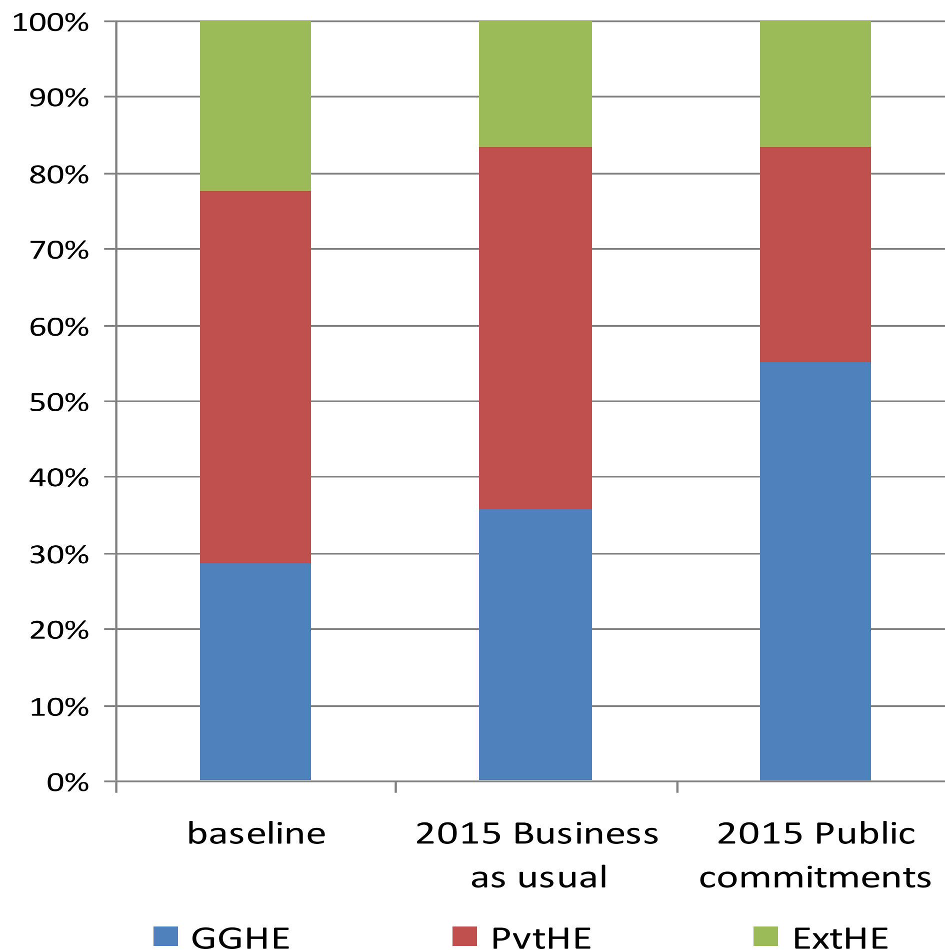
Per capita total health expenditure for low income countries



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Main differences with other exercises

	HLTF	Countdown
Countries	49 (China and India excluded)	68 (63: 5 excluded)
Target	All health MDGs: 1,4,5,6&7	Only MDGs 4&5
Timeframe	2009-2015	2008-2015
Baseline	2008	2007
Assumptions future expenditures	Similar	
Costs	Comprehensive	FP, CH and MNH only
Financing gap	Aggregated [1]	Country specific

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Magnitude Comparison: Different Estimates

Region	Addl. costs defined by WHO analysis	Gap defined by MBB analysis	Addl. costs defined by Countdown to MDG
Sub-Saharan Africa	-150.81	-44.405	-31.80
Middle East & North Africa	-4.72	5.926	-1.01
Latin America & Caribbean	-1.68	0.474	-10.25
South Asia	-59.4	1.363	-13.44
East Asia & Pacific	-28.42	0.644	-2.99
Europe & Central Asia	-6.4	3.286	-0.08

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Limitations

- Figures are based on estimates which are likely to change
- Future expenditure trends are largely based on forecasted GDP growth rate
- Results are highly sensitive to cost estimates
- Limited numbers of CH and RH sub accounts: assumption on the share on total health spending on MNCH is not robust (25%)
- The study is meant to give an order of magnitude of the financial needs, rather than precise estimate

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The way forward

- Encourage and support better resource tracking at domestic level (national sub-accounts)
- More timely, reliable and detailed tracking of donor disbursements
- Updated cost estimate → HLTF costs for all CD countries?