

Countdown Working Group on Financing

Annex 1

Proposal for Updating Resource Tracking Exercise: Investments towards Maternal, Newborn & Child Survival from external sources: 2007-2008

Health Economics & Financing Programme, LSHTM

Rationale for Study

Various studies have estimated the costs of scaling-up maternal, newborn and child health (MNCH) care to achieve universal coverage of key interventions by 2015 [1-4]. However, little attention has been paid to the question of how to finance these costs and the likely availability of funds. The Commission on Macroeconomics and Health assumed, crudely, that developing countries could devote an extra 1% of Gross National Product (GNP) to health by 2007 and 2% by 2015 [1], and that any remaining financing gap would need to be covered by donor assistance. The Partnership for Maternal Newborn and Child Health recently launched a global call for action directed to G8 leaders and other donors; calling for funding of an estimated additional US\$10.2 billion annually for MNCH.

Despite a general increase in donor expenditure to maternal, newborn and child health between the year 2003 and 2006 [5], the evidence broadly points towards a substantial funding gap between what is needed to meet Millennium Development Goal (MDG) targets and what is currently invested [3, 4, 6, 7]. Moreover, aid flows remain highly volatile between years, making it difficult for countries to plan effectively and could be better targeted to countries with the greatest health needs [5]. At the Countdown to 2015 conference in 2008 parliamentarians committed to intensify action and monitor progress in order to hold governments, financing institutions and international organizations accountable and to ensure predictable, long-term financing for reproductive, maternal, newborn and child health. Ongoing tracking of aid disbursements to maternal, newborn and child health is an essential part of the process to evaluate progress and to encourage better targeting of resources.

Regardless of the reaffirmation of donors' commitments in the Paris Declaration on Aid Effectiveness to sustain partners countries in their domestic development strategies, and to harmonize collectively the available resources [8, 9] donor funding is mainly disbursed through projects, and only 5 percent is delivered through budget support [5]. Project aid produces fragmentation of resources and imposes a heavy burden of transaction costs for recipient countries [9]. In order to assess aid performance it is important to shed more light on the efficiency of different aid channels and on the intensity and direction of aid flows.

We have developed, tested and recommended a methodology for tracking Official Development Assistance (ODA) in support of maternal, newborn and child health-related interventions to recipient countries [10] and we have analysed aid resource flows to MNCH from the year 2003 to 2006. Moreover we have explored the determinants of aid allocation.

In addition, we have developed a model for projecting domestic and external financial resources to MNCH over time till 2015. When cost projections are set against likely expenditure projections, it is possible to estimate the 'financing gap' – the difference between what is required to scale-up MNCH services and projected future spending – to assess whether current targets are realistic and how much will be needed over and above national and global commitments [6]. Current findings suggest that while middle income countries are likely to have sufficient funds for progressing towards MDGs 4 and 5, low income countries are estimated to face a financing gap even under optimistic assumptions.

Aims and Objectives

The proposed research aims at further tracking current donor investments in maternal newborn and child health-related activities, estimating future availability of funding and assessing the financing gap for attaining the MDGs 4 and 5. In particular the objectives are to:

1. update the analysis of ODA to MNCH in priority countries for the years 2007 and 2008
2. undertake an in-depth analysis of major donors and major recipients
3. explore correlation of aid trends with specific interventions and coverage indicators
4. update the financing gap analysis with more robust assumptions and a broader set of countries.

For attaining the first and second objectives we propose to adopt the same methodology used by Powell-Jackson et al. (2006) as summarised below. For all but two of the donors, the analysis will use data from the Creditor Reporting System database (CRS) maintained and administered by the OECD (www.oecd.org/dac/stats/idsonline). GAVI will be contacted to provide data, and the GFATM disbursements will be obtained online (www.theglobalfund.org/en/). As per the previous analysis, we will include all 22 donor countries and the European Union, represented in the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), a forum for the major bilateral donors of ODA. In addition we will include the World Bank (commitment data only), UNICEF, and UNFPA as multilateral development organisations; and the Global Alliance for Vaccines and Immunisation (GAVI) and the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) as global health initiatives.

For each of the 68 priority countries, we will report on two indicators for use in monitoring donor disbursements:

- Official Development Assistance to Child Health per child less than five years of age
- Official Development Assistance to Maternal and Neonatal Health per live birth.

In order to shed some light on donor priorities, aid coordination and resource fragmentation, we will undertake an in-depth analysis of key donors, breaking down their MNCH aid by their major recipient countries and area of interventions.

We will explore correlations of investment trends for specific interventions with levels of impact and coverage – e.g. spending for nutrition and underweight prevalence, spending for immunization and percentage of children immunized. We will rely on data provided by the Countdown Working Group on coverage.

Finally, we will update the financing gap exercise with more robust assumptions and a broader set of priority countries which includes those with high maternal mortality rate. Our previous analysis was subject to a number of limitations, in particular information from MNCH sub-accounts studies was scarce. Recently more sub-accounts have been released and the evidence is strong enough to inform the share of total health expenditure to apportion to MNCH. Moreover, we will explore a third scenario with the assumption of optimal resource allocation to the most needy countries.

Expected Outputs

- 1) A report on methods and findings from the updated resource flows analysis, that will be complemented by an in-depth study of key donors and the analysis of correlations of investments and coverage levels.
- 2) A paper published in a peer-reviewed journal on the financing gap analysis
- 3) A paper published in a peer-reviewed journal on the updated ODA exercise and in-depth analyses (objective 1 – 3)
- 4) Participation at one meeting of the Health Financing Group in 2009 (?Europe)
- 5) Participation at one meeting of the Countdown Core Group in 2009 (?Geneva)
- 6) Participation at the Countdown Conference in 2010 (?)

Timescale

Data on donor spending for the year 2007 will be made publicly available only in February 2009. Therefore, analysis of 2007 data will be completed by April 2009.

Data on donor spending for the year 2008 will be made publicly available only in February 2010. Therefore, analysis of 2008 data and trend analysis 2003 – 2008 will be completed by April 2010.

The full report will be completed by April 2010, however a mid-report will be ready by April 2009.

The paper on the financing gap will be submitted to a peer-review journal by April 2009.

The paper on the updated ODA exercise and in-depth donor analyses will be submitted to a peer-review journal by the Countdown Conference in 2010 (if after April 2010).

Budget (in pound sterling and USD) for the proposal:**Updating Resource Tracking Exercise: Investments towards Maternal, Newborn & Child Survival
from external sources: 2007-2008**

Health Economics & Financing Programme, LSHTM

Personnel		£	USD
Research Fellow	3 months	10,618	21,236
Giulia Greco	1 month	3,539	7,078
Anne Mills	10 days	5,493	10,986
Jo Borghi	5 days	1,356	2,712
Tim Powell-Jackson	10 days	2,051	4,102
Administration salaries	1 month	3,863	7,726
total		26,920	53,840
			-
Travel			-
Flight to Europe (HFG meeting)	1 person	400	800
Europe per diems	1 person, 2 days	300	600
Flights to Geneva (CCG meeting)	1 person	200	400
Geneva per diems	1 person, 2 days	300	600
Flights to ? (Countdown conf)	2 people	2,400	4,800
per diems	2 people, 5 days	1,200	2,400
Insurance	2 trips @ £19 + 2 @ £35	108	216
			-
total		4,908	9,816
			-
Communications & materials		1,000	2,000
Open Access publication		1,000	2,000
			-
Computer network tariff		2,000	4,000
Library tariff		2,000	4,000
Project total		36,828	73,656

Budget justification

Personnel: Salaries have been budgeted for:

The *research fellow* will allocate 3 months to undertake data collection, analysis and report and paper writing and attend meetings

Giulia Greco will allocate 1 month to undertake supervision of the RF, financing gap analysis, paper writing and attend meetings.

Tim Powell-Jackson will put in 10 days to support the financing gap analysis and paper writing.

Anne Mills will allocate 10 days to undertake supervision of the project and to ensure direction and focus;

Jo Borghi will contribute 5 days in order to support data analysis and report writing

Nicola Lord will undertake financial management of the grant, organising travel and supporting the project.

Travel: two trips to Europe and one intercontinental trip have been budgeted to attend relevant meetings and the Countdown Conference. Economy flights have been budgeted; per diem rates include hotel, subsistence and health insurance.

Communication costs and materials: a budget has been included to cover the cost of photocopying, telephones, fax and stationery required to carry out this study.

Exchange rate: LSHTM requires us to use a conservative exchange rate in order to protect us against exchange rate fluctuation. Expenditure will be invoiced on the exchange rate prevailing on the date.

HEFP has a good reputation for careful expenditure and sound financial management. This budget represents the minimum that will be required to undertake this project.

Reference:

1. Sachs, J., et al., *Macroeconomics and Health: Investing in Health for Economic Development*. Final Report of the Commission on Macroeconomics and Health 2001, Geneva: World Health Organization
2. Sachs, J.D., *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, in *UN Millennium Project 2005*, United Nations Development Programme (UNDP): Geneva.
3. Stenberg, K., et al., *A financial road map to scaling up essential child health interventions in 75 countries*. Bulletin of the World Health Organization, 2007. **85**(4): p. 305-314.
4. Johns, B., et al., *Estimated global resources needed to attain universal coverage of maternal and newborn health services*. Bulletin of the World Health Organization, 2007. **85**(4): p. 256-263.
5. Greco, G., et al., *Countdown to 2015: assessment of donor assistance to maternal, newborn, and child health between 2003 and 2006*. Lancet, 2008. **371**(9620): p. 1268-75.
6. Greco, G., et al., *Economic and Financial Analysis of Scaling Up Child, Newborn and Maternal Health*. 2007, London School of Hygiene and Tropical Medicine
7. McColl, K., *Europe told to deliver more aid for health*. Lancet, 2008. **371**(9630): p. 2072-3.
8. *Paris Declaration on Aid Effectiveness: Ownership, Harmonisation, Alignment, Results and Mutual Accountability*. in *High Level Forum 2005 Paris*
9. Easterly, W. and T. Pfutze, *Where Does the Money Go? Best and Worst Practices in Foreign Aid*. Journal of Economic Perspectives, 2008. **22**(2): p. 29-52.
10. Powell-Jackson, T., et al., *Countdown to 2015: tracking donor assistance to maternal, newborn, and child health*. Lancet, 2006. **368**(9541): p. 1077-87.