

Inter-Agency Working Group on Costing for Health Systems

Background and objectives

Costing is a fundamental step of the planning process in countries. The analysis of resource needs estimates allows policy makers to discuss the feasibility and financial sustainability of proposed health strategies, in view of existing budget constraints. An analytical process that compares costs and outcomes can help make the planning process results-driven and financially credible, permitting the best use of resources to achieve the twin goals of equitable health outcomes and universal coverage. The following questions may be relevant in the preparation of a health systems investment case analysis and inform the development of a national plan:

1. Which high impact interventions are priorities for integration into existing service delivery arrangements, to accelerate progress towards the health and nutrition MDGs?
2. What are the major health systems hurdles or “bottlenecks” hampering the delivery of health services, and what is the potential for their improvement? Examples of “bottlenecks” may include limitations on universal access to services, availability of skilled human resources, and availability of necessary drugs and equipment.
3. What would be the potential investment required by alternative options to alleviate the identified health systems hurdles or bottlenecks? What would be the cost of the incremental service provision as coverage increase?
4. What is the total amount of resources required to achieve the desired coverage? Resources can refer to technical expertise, drugs, equipment, personnel, facilities and other health system elements.
5. What could be achieved in terms of health outcomes by removing health system bottlenecks and increasing coverage of effective interventions?
6. What amount of financing could be mobilized under various fiscal and macroeconomic scenarios and how should additional funding be allocated?

Several international development partners have developed costing tools to assist countries in planning and budgeting for health programmes. However, these tools differ in terms of their scope and the conceptual framework used. Recognising the need to peer review costing and budgeting tools and their application in countries, this Inter-Agency Working Group (IAWG) was established with participants from UNAIDS, UNDP, UNFPA, UNICEF, the World Bank and WHO. The group first met in February 2008 and agreed to work on the harmonization of costing tools and processes to improve efficiency at country level, achieve interoperability (getting the tools talk to each other) and coordinate the provision of technical assistance.

For more details on the existing tools and their review please visit:

http://www.who.int/pmnch/topics/economics/costing_tools/en/

Development of unified interagency tool

After reviewing existing planning, costing and budgeting tools, the IAWG began developing a joint-UN costing tool, building on the strengths, and correcting the weaknesses, of the existing agency-specific costing tools. The IAWG has since held meetings to define the scope, design and technical specifications of the unified tool, and a specialist institution has been contracted to develop the tool itself, which will be ready for the piloting of individual modules in 2010.

Meanwhile, there is a continuing need for technical assistance to support evidence-based planning, costing and budgeting activities in countries. To this end, existing tools are being improved and will be used in the interim. An example is the Marginal Budgeting for Bottlenecks (MBB) tool. A newly revised and updated format, soon to be completed, will be designated version 5 of the MBB. These improvements fall into 3 categories:

- a) Technical adjustments, to refine and update the methodology for calculating costs and impacts.
- b) Data architecture and navigation system simplification, to improve the user experience and make the model more transparent and robust.
- c) Compatibility enhancements, to permit the results of other costing tools - e.g. for TB, HIV, or malaria - to be easily incorporated so as to reduce duplication and increase the specificity of the tool.

Interagency Training Workshops

The agencies have continued to work closely to develop regional capacity with regard to health economics and financing. A joint training session was held in Senegal in September 2009 involving UNICEF, WHO, World Bank, the African Development Bank, and UNFPA working with a large set of consultants and academicians based in Francophone Western Africa. Plans are being developed for future training workshops and follow-up missions.

Costing Estimates for the HLTF

The IAWG also supported the work of the High Level Taskforce on Innovative International Financing for Health Systems (HLTF). Established at the High Level Event on the Millennium Development Goals (MDGs) held at the United Nations Headquarters in New York on 25 September 2008, HLTF was set up to contribute to filling national financing gaps

to reach the health MDGs through mobilizing additional resources; increasing the financial efficiency of health financing; and enhancing the effective use of funds. The HLTF established a Working Group on Constraints to Scaling Up and Costs (WG1), which requested the IAWG, supported by the Partnership for Maternal, Newborn and Child Health, to establish two technical teams to provide costing estimates of strengthening health system to achieve the health related MDGs in 49 low income countries, based on existing tools and guidelines. A synthesis report with the results of both methods was produced and used to inform the official report of WG1, which can be read or downloaded at:

http://www.internationalhealthpartnership.net//CMS_files/documents/working_group_1_-_report_EN.pdf

The first of two technical background papers detailing methodology and assumptions used by the two groups can be accessed at:

http://www.who.int/choice/publications/d_ScalingUp_MDGs_WHO_report.pdf

The second, covering the work done by the UNICEF/UNFPA/Partnership for Maternal, Newborn and Child Health/World Bank will be posted on this site in mid-October 2009.

More information and reports on the work of the High Level Taskforce can be found at:

<http://www.internationalhealthpartnership.net/en/taskforce>