



## The Taskforce on Innovative International Financing for Health Systems

### Statement from the Consultation of Regional Institutions and Networks on High Level Task Force on Innovative International Financing for Health Systems

Abuja, Nigeria, 26 May 2009

Since the establishment of the High Level Task Force, representatives of Civil Society from across the world have been discussing the financing of essential and equitable health care for all. This statement represents a compilation of the key views and themes developed by civil society groups as well as a brief response to the latest reports of the Task Force's two Working Groups.

The nature of our times lends a special urgency to the work of the Task Force. More than halfway to 2015, all of the health Millennium Development Goals lies drastically behind schedule, and at risk of failure. The various health crises around the world, and particularly in Africa, represent an injustice, and failure of governance and economic policy. According to the Commission on the Social Determinants of Health, the crises are not in any sense a 'natural' phenomenon, but the result of "a toxic combination of poor social policies and programmes, unfair economic arrangements, and bad politics".

The allocation of hundreds of billions of dollars, essentially to bail out the banking sector and primarily to sustain the high-consumption economies of developed countries, puts into context the relatively modest requirements for universal access to essential health care.

In view of this bigger picture, we remind the High Level Task Force of its need to:

- Recognize the right of all people to essential health care;
- Pursue policies that will reduce inequity and social disparities;
- Promote democratic and pro-poor reforms to the governance of the global economy as a means of creating a long-term and sustainable foundation for health financing;
- Add (not substitute) "innovative financing" to existing commitments of governments, which must be fulfilled. [African nations have promised to allocate 15% of their public budgets to health; developed nations have promised to appropriate 0.7% of their GDP for development assistance];
- Improve the efficiency, impact and accountability of current development assistance for health; and
- Place transparency and accountability at the heart of all proposed solutions.

#### **An inadequate and incomplete process**

The two Working Groups of the Task Force have conducted a great deal of valuable work. WG1 in particular has provided a useful analysis of the challenges of health systems financing and strengthening. However, there are also several deficiencies and gaps with both reports. In addition, the process of consultation and discussion has been inadequate and incomplete. We therefore urge the Task Force to establish inclusive processes and platforms for ongoing discussion and exploration, both before and after the G8 meeting in July.

In the meantime, civil society groups will be compiling a detailed technical report that will outline the deficiencies and gaps of the current WG reports, and respond to the final recommendations of the Task Force. This statement summarizes a set of *higher-level* concerns and recommendations.

## **Health systems policy and governance**

We endorse the recommendations of WG1 which highlight the central role of effective and accountable governments, as well as empowered communities, in strengthening health systems and scaling-up essential health services. We also endorse the view which casts doubt on the promotion of market-based reforms. The health financing agenda must be moved forward on the basis of the following principles:

- Progressive finance;
- Optimal pooling of finance;
- Equitable and needs-based budgeting and expenditure;
- Accountable planning and financial management; and
- Full engagement of civil society.

## **Domestic resource mobilization and financing**

Domestic resource mobilization for health systems requires greater attention than has been given by the Task Force and its Working Groups. This needs further development. Developing countries have substantial domestic resources that are currently being lost to health investment. Ineffective and inefficient tax systems, coupled with capital flight, unfair trade, natural resource exploitation and corruption make too many countries over-dependent on external aid. We therefore ask the Task Force to catalyze a serious global effort, involving low and middle income country governments and civil society, to strengthen the domestic revenue base of developing countries.

As emphasized by WG1, domestic financing systems must contribute to equitable health systems performance and community empowerment, and should be given priority and greater consideration. We recommend the Task Force, the WHO and other actors to support sustained regional and country-level consultations on the development and improvement of domestic health financing arrangements.

## **Coordinating and harmonizing Official Development Assistance for health**

Development assistance for health is fragmented, uncoordinated and inefficient. We therefore endorse the recommendation for more effective aid in line with the principles of the Paris Declaration and the Accra Agenda for Action.

Appropriate country-based processes of health planning are essential for effective health systems strengthening. This will require a rationalization of the health architecture, at both the global and country levels, including accountable and coordinated domestic financing arrangements.

We endorse the intention of the Global Fund to Fight AIDS, Tuberculosis and Malaria, GAVI Alliance and the World Bank to explore a more coordinated approach to health systems strengthening. However, presently none of these institutions provide an adequate channel. The precise mechanisms and principles by which funding for health systems development will be managed and disbursed requires further discussion and debate.

## **New and innovative sources of finance**

Many of the proposed forms of new and innovative finance are distractions from the more fundamental reforms required to ensure that governments and development partners fulfill their commitments; and to improve the effective and efficient use of existing health financing and expenditure.

Any *new* source of finance must demonstrate being progressive, sufficient, predictable, additional, verifiable and easily implementable. The Currency Transaction Levy appears to meet these criteria and we therefore call on the Task Force to encourage further exploration of this proposal.

### **Estimating the financing gap**

The calculation of the financing gap is based on costing models and assumptions that require careful interrogation. The figures appear to reflect an insufficiently ambitious approach to health systems strengthening. Furthermore, while global estimates are a useful ballpark figure, costing estimates and needs-based budgets at the country level are needed.

### **Fiscal space**

Many fiscal policies place inappropriate constraints on national budgets and therefore on public health expenditure. New rules and policies on fiscal space and macro-economic governance, at both the global and country levels, are required. These are issues that have been inadequately addressed by both Working Groups.

**This statement was prepared and supported by the participants at the Abuja Consultation.  
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