

Global HealthLink

Following the Money in Global Health

"Resource tracking" is a hot new topic in global health circles. Far from being of interest only to accountants and statisticians, data on the flow of money – how much, from whom and for what – is the subject of intense debates within the donor community, the policy community in developing countries and civil society "watchdog" groups.

The interest in tracking financial flows to the health sector in developing countries emerges from three divergent sources.

First, expectations have increased about transparency and accountability within the donor community. Advocacy groups are devoting energy not only to lobbying for an increase in development assistance, but in pushing donors to live up to their commitments. For example, they are closely tracking the results of recent G8 promises to donate an additional \$50 billion to the poorest countries (largely in Africa), to forgive \$56 billion in multilateral debt for 38 countries, and to guarantee access to AIDS treatment regardless of ability to pay.

Second, donors increasingly demand credible accounting of how resources are used in-country, and whether performance improves as funds are used. Both donors providing project-style support and those offering broader budget support require timely reporting about spending within key sectors, including health, for poverty reduction activities.

Third, beyond the transparency agenda, there is broad agreement that achievement of the health-related MDGs hinges upon both an escalation of the financial resources dedicated to the health sector and more effective use of those resources: more money, better spent. The development of policies to attain those results requires a supportive information base with reliable data about the availability and use of funding, broken down into policy-relevant categories: which diseases, which populations covered, which inputs.

Data Systems Inadequate

While the interest in tracking resources is strong, data systems on both country and donor sides responded only in a partial and haphazard way. For country-level expenditure tracking, national health accounting methods have been developed to permit cross-national comparisons and inform major health financing and policy questions. Tracking exercises focused on AIDS and other specific diseases (called "sub-accounts") have provided information that is valuable for both donor and national policymaking. However, NHA estimates are built on a shaky foundation because the public financial management system is of inadequate quality. And there has been only limited success to date in generating national level demand for and institutionalization of expenditure tracking.

At the global level, the "National Health Accounts" database of the World Health Organization www.who.int/nha/en/ publishes information for its member states annually on indicators of health expenditures. These indicators are produced by accessing publicly available figures on spending in general, including those on health. These indicators are at the macro level, though, and do not routinely report on the details of health spending.

For donor flows, the official source is the OECD/DAC's http://www.oecd.org/department/0,2688,en_2649_34447_1_1_1_1_1,00.html, which produces annual estimates of public donors' disbursements and commitments of external resources on aid activities. The OECD/DAC data provide relatively little detail and are available only after a significant lag time. However, organizations interested in the flow of donor funds have launched a veritable barrage of efforts to collect data from donor agencies about individual health conditions and interventions – from AIDS to malaria to tuberculosis to immunization to health R&D to reproductive health to child health. This trend risks overworking and exhausting the patience of those who are faced with an onslaught of data requests, degrading the quality of all data collection, and confusing policy audiences, who may be unfamiliar with

the potential shortcomings and unofficial nature of the data. Moreover, major sources of resource transfers, including private charities and the pharmaceutical sector, are excluded from most data collection efforts.

Resource Tracking Group

Recognizing both the imperative to improve the information base, and the building blocks already in place, the Center for Global Development convened the Global Health Resource Tracking Working Group to identify specific ways to enhance the accuracy, timeliness, comprehensiveness and accessibility of information on public and private financial flows for health in developing countries. The working group, a "who's who" of the health resource tracking world, conducted a series of background analyses and generated specific recommendations targeted specifically at the international community. The recommendations were submitted to the High Level Forum on the Health Millennium Development Goals in November 2005, and will be issued in the group's final report in early 2006.

The working group is proposing four basic recommendations, each representing a key element of an improved system for tracking resources. These are summarized below, and available in more detailed form from the Center for Global Development.

First, donors and international agencies should support improvements in the ability of developing country governments to develop sound budgets and report on their execution. This includes strengthening (and where needed rebuilding) of budgetary processes so that they become more policy based and, hence, fully engage political leadership. Consistent with the Paris Declaration on Aid Effectiveness, donors should also provide complete and forward-looking financial information for budgeting and reporting on projects and programs; as well as unearmarked support to national budgets, rather than transferring aid through special-purpose projects; and manage aid through national processes of policy, planning and budgeting.

Second, donors and international agencies should support the integration and institutionalization of national health accounts (NHA) into policymaking in developing countries. Of primary importance, donor and technical agencies should cease to compete and work toward reducing the confusion about different methods for tracking health expenditures. They should clarify and reiterate their support for the tracking of health expenditures within the NHA framework that is responsive to country needs and permits cross-national comparisons. Efforts to develop disease-specific spending assessments or "sub-accounts" should support the broader agenda of creating the capacity, demand and methods for national health accounting in addition to responding to the countries' needs for timely and policy-relevant disaggregated information.

Third, efforts should be made to improve data on private spending. Donors and technical agencies should provide technical and financial support to adapt routine household surveys so that they capture information about private health expenditures and utilization of health services. In addition, a method to estimate the value of in-kind contributions by pharmaceutical companies should be developed.

Fourth, donors should work collectively to support and refine global level information systems. Donors and technical agencies that have promoted or provided financial support for single-disease tracking surveys of donors should avoid continuing the proliferation of such activities and adopt a more coordinated approach ensuring adequate response to the evolving needs of high-quality, pertinent and policy-relevant information. In addition, the OECD/DAC should be supported to develop enhanced capability to be a portal for public access to detailed and frequently updated data on donor commitments and disbursements. Data would be required not only from OECD/DAC member countries, but also for tracking the bilateral flows from non-member countries and flows from private foundations and other agencies.

In its report, the working group will present a detailed "how-to" for following up each of these recommendations, and will urge the international community to adopt a long-term vision and invest in the development of a policy-responsive system to track resources in global health. With modern information technologies, and a strong impetus toward greater transparency and evidence-based policymaking, the

moment may well be right for a major step forward.

Please share information about your own organization's resource tracking efforts with the Global Health Resource Tracking Working Group by contacting Jessica Wolf at jwolf@cgdev.org or visit <http://www.cgdev.org>