Public aid for development and health cooperation

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ODA - Definition

• Official development assistance is defined as those flows to DCs and to multilateral development institutions which are:
  ▪ provided by official agencies, including state and local governments, or by their executive agencies; and
  ▪ each transaction of which:
    • is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
    • is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).
ODA from DAC countries to DCs and IO

(US$ billion, net disbursments, 1990-2008)

Source: OECD, 30 March 2009.
ODA from DAC donors to DC and Multilaterals

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Development assistance for Health

1990-2007
(by funding source)

(Source: Ravishankar et al., 2009)
Development assistance for Health
1990-2007
(by disease)

(Source: Ravishankar et al., 2009)
Publicly financed Assistance for Health selected years (by channel)

(Source: Ravishankar et al., 2009)
Donor view of ODA

Source: IDA, 2007
Recipient’s view of ODA

Source: IDA, 2007
Number and Average Size of Donor Activities
(US$ million, 2004 prices)

Source: IDA, 2007
Number of DAC Donors and major multilateral agencies per country

Limits of separate funding for priority programmes (Projects, global initiatives)

- **Sectoral policies and budgets**
  - inconsistencies between national and external funding,
  - distortion of spending priorities, sustainability

- **Operating costs**
  - Budgetary imbalances

- **National capacity**
  - Needs to service multiple donor missions in design and appraisal
  - High variety of accounting and auditing requirements
  - Staff separate management units
  - Parallel systems

- **Ownership**
  - Donor driven and designed by external consultants, lack of government commitment
Answers to fragmentation: the Paris Declaration

- Ownership
- Alignment
- Harmonization.
- Managing for Results
- Mutual Accountability
Answers to fragmentation

- General Budget Support (GBS)
- Sector Wide Approach (SWAp)
  - Partnership led by national authorities, with civil society, donor agencies...
  - Common goal (improvement in people’s health)
  - In the context of a coherent sector (such as Health)
  - Collaborative programme of work including
    - Development of sectoral policies and strategies
    - Resource projections, sector financing and spending plans
    - Management system: common arrangements for disbursement and accounting of funds, procurement, M&E
    - Institutional reform and capacity building
  - Increase expenditure channelled through the government budget and decrease reliance on separate projects funded by agencies
SWAp funding – Channel 1

Donor → National Budget → Sectoral Budget (i.e. Health) → Operations
SWAp funding – Channel 2

Donor

Sectoral Budget (i.e. Health)

National Budget

Operations
SWAp funding – Channel 3

National Budget

Sectoral Budget (i.e. Health)

Donor

Operations
Innovative International Financing
“More Money”

• Expand mandatory levy on airline-tickets and explore other
  – tobacco; currency transactions
• Expand IFFIm and other approaches AMC
• Catalytic funding for private giving
  – De-Tax;
  – voluntary solidarity contribution (air-tickets; m-phones; ..
• Results-based “buy-down” funding
  – Debt2health (debt swap through multilateral third party
    • Example: Indonesia, Pakistan, Germany and GFATM!
  – Results based credits and buy downs
• Secure better performance of non-state actors
  – capital/risk mitigation fund;
  – propositions for better investments;
  – new AMC and patent pooling
Innovative International Financing
“More health for the money”

- Health systems
  - public administration and accountability;
  - financing;
  - service delivery arrangements;
  - results-based financing
- Mobilizing non-state actors
- More efficient Technical Assistance
  - review focusing on strengthening institutional capacity;
- More efficient International support in countries (alignment)
- More efficient channeling of resources
  - Health Systems Platform: Global Fund; GAVI; World Bank
- Special consideration for fragile states
- Improving accountability
Conclusions

• Resources quadrupled (1990 and 2007)
  – 2002-2006 42% Technical Assistance!

• B&MGF striking scale-up

• Corporate in kind donations expanded
  – True value might be less than the value recorded on US tax returns

• GAVI & GFATM

• Reduced support to UN agencies, increasingly voluntary contributions; UN agencies to compete for funds with countries, NGOs, other organizations

• HIV/AIDS, tuberculosis and malaria
Conclusions

• Besides rhetoric, general health sector support remains very small

• China and non OECD high-income countries not in the picture

• New emphasis on Health Systems, Universal access, etc. (G8)…

• “More money for health, more health for the money”