

# OPPORTUNITIES TO IMPROVE FINANCING FOR POPULATION, HEALTH, AND DEVELOPMENT

The world has seen significant declines in mortality and fertility rates since 1990 resulting in an increase in youth and the working age population, particularly in low and middle income countries. This is a window of opportunity for these countries to achieve a faster rate of social and economic development, and is known as the 'Demographic Dividend'. However, these gains are neither automatic nor guaranteed. Countries need to invest effectively in meeting the health needs of young and adolescent people to realise the benefits.<sup>1</sup> The High-Level Panel of Eminent Persons on the Post-2015 Development Agenda<sup>2</sup> states that "the benefits of investing in health are immediate and obvious, both for specific interventions and for strengthening health systems more broadly." There is now a renewed global momentum to improve financing for population, health and development issues. Additional financing is required and there is a need to channel and spend resources more efficiently. Global partnerships and country ownership will be needed to achieve these goals.



सत्यमेव जयते



राष्ट्रीय स्वास्थ्य मिशन



EVERY WOMAN  
EVERY CHILD



The Partnership  
for Maternal, Newborn  
& Child Health



Partners in Population and Development (PPD)  
An Inter-Governmental Organization  
Promoting South-South Cooperation

## The challenge

**Additional financing is needed to achieve health, population and sustainable development goals, especially for women's, children's and adolescents' health.<sup>3</sup>**

While total Official Development Assistance (ODA) has hit a record high of \$134.8 billion in 2013, aid is shifting away from the lowest-income countries.<sup>4</sup> The Every Woman Every Child movement<sup>5</sup> has helped to fill the gap in financing for women's and children's health and generated financial commitments of almost US\$60 billion. Twenty percent of this funding has come from low income countries and fifteen percent from the private sector.<sup>3, 6</sup> Still, without a significant increase in financing, the global goal of ending preventable maternal, newborn and child deaths cannot be met by 2030.<sup>6, 7</sup>

**Need to spend resources more efficiently on proven interventions within and outside of the health sector.**

Irrespective of income levels, most countries can improve access to proven health interventions and also improve the quality of health services. Coverage of maternal and child health services increases from lowest to the highest wealth quintiles, and varies greatly within each quintile.<sup>9</sup> Evidence should also guide investments as analyses indicate that high-cost, low impact interventions tend to be overused, while low-cost, high-impact interventions are underexploited.<sup>10</sup>

Some of these efficiency gains can come from health-enhancing sectors. Recent evidence suggests that investing in health-enhancing sectors (such as education and environment) can help in reducing child mortality.<sup>11</sup>

**National and global partnerships are required to achieve effective financing. At the country level, domestic financing needs to prioritize reproductive and child health.**

Bhawalkar, M. (2013) found that countries rely excessively on donors and households for financing of reproductive health (RH) and child health (CH). Donors and households combined finance nearly 67 per cent of RH and 80 percent of CH (Table I).<sup>8</sup>

**Table I**

Who pays for RH and CH

	General NHA	RH	CH/Benefits
Household	26%	27%	32%
Donor	39%	40%	46%
Public	25%	31%	21%

Source: Bhawalkar, M. (2013)

## What works

**G**lobal partnerships and country ownership are critical in helping generate additional financing and improving efficiency of existing health spending. It is a shared responsibility of all stakeholders – governments, donors, aid agencies, private sector and civil society – to support the sustainable financing, and effective and efficient implementation, of country-led population, health and development strategies. In particular, these partnerships can support the financing of global public goods. Infectious diseases are an excellent example of a case where the social benefits of addressing challenges of a global nature exceed their costs.

**Investing in cost-effective and high impact interventions can result in large economic and social benefits for countries.**

The Global Investment Framework for Women's and Children's Health states that an increase in health expenditure at the country level of US\$ 5 per capita per year until 2035 could result in up to nine times that value in economic and social benefits.<sup>6, 7</sup> The framework also provides guidance on investments and helps prioritise the intervention packages that have the largest impact on improving women's and children's health.

**Governments can deploy various strategies and tools to raise additional money and improve efficiency.**

Taxation can be an effective strategy for governments to raise money for health. Examples include taxing large and profitable companies and foreign exchange transactions.<sup>10</sup> Improving efficiency of health spending can also yield additional funds and various tools can be used to identify areas of concern. For example, the OneHealth tool can support national strategic health planning.<sup>12</sup> The WHO-CHOICE (CHoosing Interventions that are Cost Effective) can provide guidance

on the cost–effectiveness of interventions.<sup>13</sup> The system of health accounts 2011 methodology can be used for timely collection of health expenditure data.<sup>14</sup> It is also important to develop the capacities of personnel in ministries of health. This includes developing their skills in data analysis and use of evidence to enable them to negotiate better with ministries of finance for increased funds.

In addition, parliamentarians, civil society organizations (CSO) and the media are critical in keeping stakeholders accountable, which includes ensuring that health service provision is based on need. Together, they can analyse budgets and expenditures to ensure that cost-effective interventions are being funded. For example, CSO alliances in Sierra Leone and Uganda have been successful in reversing decisions to cut health financing.<sup>15</sup>

**External financing initiatives such as the new Global Financing Facility can be leveraged to strengthen long-term domestic and international funding for women’s, children’s and adolescents’ health.**

While external funding from key partners such as Gavi, the Global Fund, the United Nations Children’s Fund (UNICEF), the United Nations Population Fund (UNFPA) and bilateral agencies is important for countries to finance health services for Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH), the Global Financing Facility (GFF) will help mobilize and channel additional international and domestic resources and harmonize funding streams to better support country-led RMNCAH plans. These plans allow for harmonization of the various streams of financing by maximizing the impact and programmatic coherence of all partners’ in-country RMNCAH support. Countries should view the use of external development assistance as having the potential to play a game-changing role and to act as a catalyst for transformation.<sup>16</sup>

**Investing in health-enhancing sectors will play an important role in improving population, health and sustainable development outcomes.**

The countries on track to achieving the health MDGs have employed a mix of investments and interventions outside of the health sector. These factors include girl’s education, women’s participation in politics and the workforce, reduction of fertility rates, better access to clean water and sanitation, economic development and political commitment.<sup>11</sup>

*To conclude, countries need to adapt their financing systems continually to raise sufficient funds for their health systems. The options highlighted here are not exhaustive and also may not apply to all countries. The income generating potential of each option will need to be assessed along with the political feasibility before implementation begins.*



Photo: @ UNICEF/HQ06-0969/Shehzad Noorani

**Innovative financing mechanisms can support diversification of funding.**

Innovative financing mechanisms have been defined as “non-traditional applications of ODA, joint public-private mechanisms, and flows that either support fundraising by tapping new resources or deliver financial solutions to development problems on the ground.”<sup>17</sup> One such mechanism is Market Shaping, which involves providing affordable vaccines through pooling of demand and purchase of large amounts of vaccines.<sup>18</sup> Similarly, the Medicines Patent Pool (MPP) aims to improve access to HIV medicines and technologies in developing countries through the creation of a pool of relevant patents.<sup>19</sup> Debt relief is another mechanism which involves donors granting debt relief in exchange for a commitment by the beneficiary country to invest in its national health programs.<sup>20</sup> There are several other financing mechanisms such as: financial cooperatives, social venture capital funds, local development banks and working capital loan programs.

## Opportunity for Engagement and Leadership of PPD:

The member countries of the Partnership for Population and Development (PPD) are committed to achieving health, population and sustainable development goals. To achieve these goals, together with the UN Secretary-General and the Every Woman Every Child global initiative (<http://www.everywomaneverychild.org/>), PPD member countries will play a leadership role through South-South cooperation. Member countries will promote innovative, effective models of South-South development partnerships to prioritise and improve the effectiveness of investments in women's, children's and adolescents' health. Member countries will also document and share best practices to optimise the demographic dividend, promote prosperous, equitable and sustainable national development, and ensure the health and well-being of populations.

The Partnership for Maternal, Newborn & Child Health (PMNCH) is leading partner-based consultations on the development of an updated Global Strategy for Women's, Children's and Adolescents' Health, to be launched in 2015. Through this process, PMNCH will also be gathering stakeholder input on the GFF. Please visit PMNCH's interactive hub on the GFF (<http://www.womenchildrenpost2015.org/>), with a wide range of background resources. You are encouraged to consult this site and to submit your comments online or via [pmnch@who.int](mailto:pmnch@who.int).



Photo: The World Bank/Dominic Chavez

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## Acknowledgements

Writers: PMNCH Secretariat. Contributors and reviewers: Every Woman Every Child, Government of India, Partners' in Population and Development and PMNCH. Design by Roberta Annovi.

Available on-line at <http://portal.pmnch.org/>