

AFRICAN HEADS OF STATE ADOPT SCORECARD ON DOMESTIC FINANCING FOR HEALTH

"The dwindling and unpredictability of development assistance compels Africa to look inwards for domestic resources for the care of her people. Africa will need to mobilize internal resources for the promotion of her health."

- Agenda2063: The Africa We Want, Strategic Framework; 2015

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Last week the African Union launched the A frica Scorecard on Domestic Financing for Health

The launch comes on the heels of the adoption of the scorecard by the heads of state of the 54 African Union

(AU) member states at the 27th AU Summit in Rwanda on 17 July 2016.

The Africa Scorecard on Domestic Financing for Health is a health financing management tool for governments on the African continent. It is intended to help with financial planning for the health sector and with monitoring government domestic health spending performance against key global and regional health financing benchmarks. It is also intended to help governments compare their performance with each other.

In <u>news release</u>, the AU said that the Africa Scorecard "is an important milestone in promoting financial planning, performance monitoring and accountability by players at various levels."

The 54 countries of the African Union will report annually on their domestic health financing performance, with the African Union Commission using this data to publish the Africa Scorecard each year.

Aims of the Africa Scorecard

The development and compilation of the Africa Scorecard have three goals:

- first, to drive domestic investment in health by providing governments with a health financing management tool, by comparing performance to benchmarks and to peer countries, and by committing countries to annual reporting;
- second, to use increased domestic investment and peer-to-peer accountability to increase trust in African governments and to pressure donors to meet commitments; and
- third, to provide the data to show how realistic it is for countries to increase domestic financing responsibilities supporting the argument for donors remaining committed to their pledges in under-developed countries and for middle-income countries to increase their domestic contributions in accordance with ability to pay, so that the right amount of money is spent in the right countries on the right priorities.



There are a variety of reasons why this Africa Scorecard and the annual processes its implementation requires are important. Among these are that:

Africa is responding proactively to a changing environment – Donor financing for health has plateaued since 2007 and declined in 2015 for the first time in five years (see <u>GFO article</u>). The call for increased domestic investment and the tracking of domestic financing for health through the Africa Scorecard forms part of Africa's proactive

response to the challenge of dwindling and unpredictable development assistance.

Africa is refocusing its spending – to overcome decades of domestic underinvestment in health; to reorient African health systems away from a disease focus and towards "health in general"; and to better position the continent to meet its Agenda2063 vision and Africa Health Strategy, 2016-2030. (For a thorough analysis, see Sophie Witter, Alex Jones and Tim Ensor. 2014. How to [or not to]...measure performance against the Abuja target for public health expenditure. Health Policy and Planning 2014; 29:450–455. Available at: http://heapol.oxfordjournals.org/content/29/4/450.full.pdf+html.)

Africa is improving its capabilities – Countries will now track and report on important strategic indicators annually and present domestic performance against these indicators for discussion by their peers. In accordance with the Paris Declaration (2005), the Accra Agenda for Action (2008), and the Busan Partnership (2011) principles, the process will invest in and strengthen Africa's existing country health systems and health financing capabilities to generate the necessary health financing performance data. In addition, all AU member states will conduct National Health Accounts (NHAs) annually and will upgrade their systems to adopt the latest World Health Organization (WHO) NHA methodology (NHA 2011). The WHO will support countries to conduct NHAs (annually) and will validate the data. Finally, AU member states are committed to ensuring that the WHO receives the resources necessary to provide this support at the continental level, using donor resources where necessary.

Indicators

The Africa Scorecard tracks health financing performance over time and against peers:

- 1. Per capita
- 2. As a % of GDP

3. As a % of government spending (rather than budget)

The Africa Scorecard also tracks country performance in terms of:

- 4. The proportion of health financing expenditure derived from
- 1. Government
- 2. Donors
- 3. Households
- 5. The amount of tax revenue collected as a % of GDP

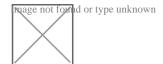


Figure 2: Africa Scorecard, showing indicators and results for the first 10 countries (listed alphabetically)

Data quality issues

Health financing data globally is notoriously poor and difficult to track. The best methodology available is the WHO's system of NHAs. This methodology, however, is fraught with challenges. These include being unable to distinguish between domestic funds and on-budget donor support, or to comprehensively track donor funding. The data is also compromised by having to rely on estimates made on the basis of outdated data due to countries not conducting NHAs regularly.

The first iteration of the Africa Scorecard has been released by AU member states in the full knowledge that the data is far from accurate due to these limitations. To overcome these challenges for future iterations, the AU has partnered with the health financing unit of the WHO to formulate the indicators that make up the Africa Scorecard. The WHO are also revising the NHA accounting methodology to address some of these shortcomings. Finally, member states have committed to adopt the latest NHA methodology and to conduct an NHA every year in order to generate, over time, reliable and comparable health financing data.

How much should countries spend on health?

If the Africa Scorecard is to provide a health financing management tool, then it needs to provide guidance as to how much countries should spend on health. While a number of commissions have suggested broad targets, there is no consensus as to how much (per capita or otherwise) countries should invest in health.

The AU has intended that the 2001 <u>Abuja Declaration</u> target – that AU member states allocate 15% of their government budget to health – provide such guidance. However, measuring performance against the Abuja target is difficult and the target seems inadequate on its own. By way of example, Malawi spent more than 16% of its government budget on health in 2014, meeting the target, and yet this amounts to spending just over \$15 per capita on health. Such an amount is insufficient to provide a comprehensive package of health services.

Rather than determine a single benchmark, the Africa Scorecard chooses to provide guidance by tracking AU member state health spending against a target similar to the Abuja Declaration target (health spending as a % of government spending [rather than budget]) as well as against three established global per capita benchmarks (inflated to 2012 USD): the WHO-led Commission on Macroeconomics and Health (CMH) in 2001, the High Level Taskforce on Innovative International Financing for Health Systems (HLTF) in 2005 and revisited in 2009, and a Chatham House study conducted by Di McIntyre and Filip Meheus in 2014. The last of these benchmarks also tracks health spending performance as a percentage of GDP. Finally, although not indicated in this inaugural iteration, from

2017 the Africa Scorecard will incorporate performance against a new per capita health financing benchmark (disaggregated by region and income status) that the WHO will release in early 2017.

How to access the scorecard

The AU has made the Africa Scorecard available on Dropbox in the four languages of the African Union. They can be accessed here: https://www.dropbox.com/sh/to293kfg5sywxgq/AAAn5c73EEBP1zLzxDxw3ieea?dl=0

"There is no doubt in my mind that those of us in the developing world have to do more and better to take charge of our destiny, to design programmes and strategies appropriate to our circumstances and mobilize our own resources as the primary means of achieving the MDGs. I know that this is easier said than implemented, all the more so because much of the extensional assistance we get has in practice been predicated on us towing the line of the donor community rather than charting our own independent course of action. The fact remains, however, there is no possibility of us keeping our promise to our people unless we do more and better to take charge of our destiny and depend on our own resources as the primary means of achieving the MDGs."

Former President of Ethiopia, Meles Zenawi,
addressing the UN General Assembly in September 2010

Paul Booth developed the Africa Scorecard on Domestic Financing for Health on behalf of the African Union. After 10 years working on HIV and TB globally, Paul has recently completed a Masters' degree in Public Policy at Oxford's Blavatnik School of Government. He lives between Oxford and Johannesburg and can be reached at PaulRichardBooth@Gmail.com.

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