

MOVING TOWARDS UHC

THE ROLE OF EXTERNAL FINANCE



THE FIRST FACE TO FACE MEETING OF THE UHC2030 WORKING GROUP ON SUSTAINABILITY, TRANSITION FROM AID AND HEALTH SYSTEMS STRENGTHENING

Venue: HOTEL BEAU RIVAGE, GENEVA, SWITZERLAND

Date: 30-31 March 2017

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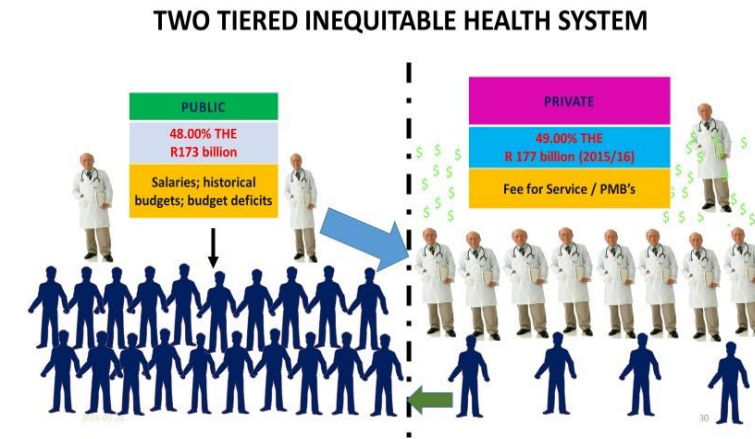
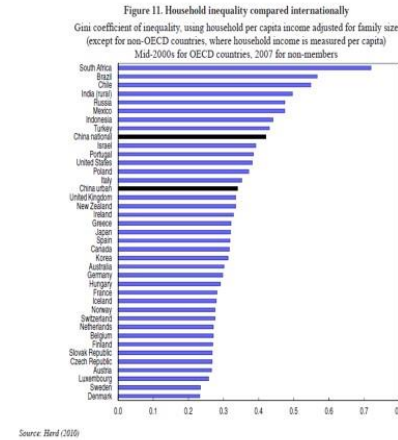
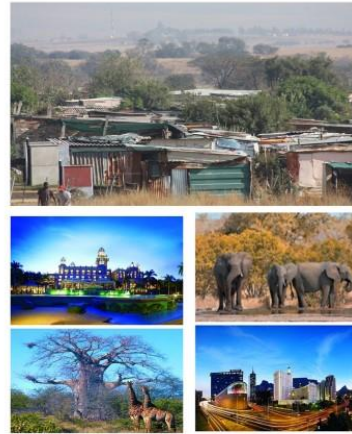
PRESENTATION OUTLINE

1. Country Profile
2. Transformation towards UHC
3. Governance Frameworks for Effective Development Cooperation
4. Status quo of external financing / ODA
5. Key challenges on external financing
6. Way forward

PROFILE OF SOUTH AFRICA

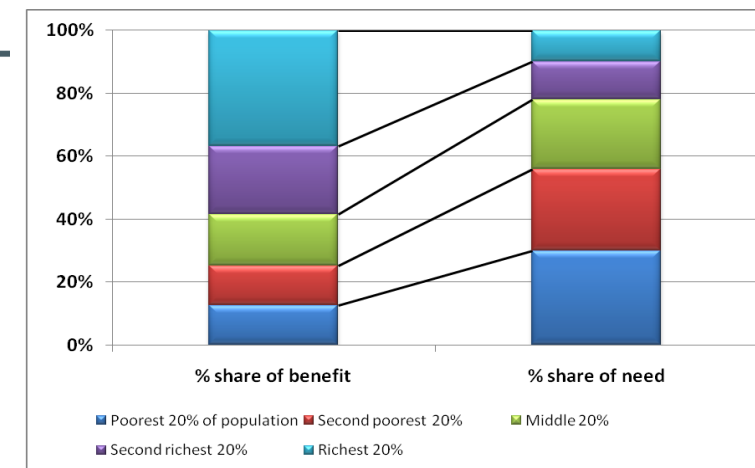
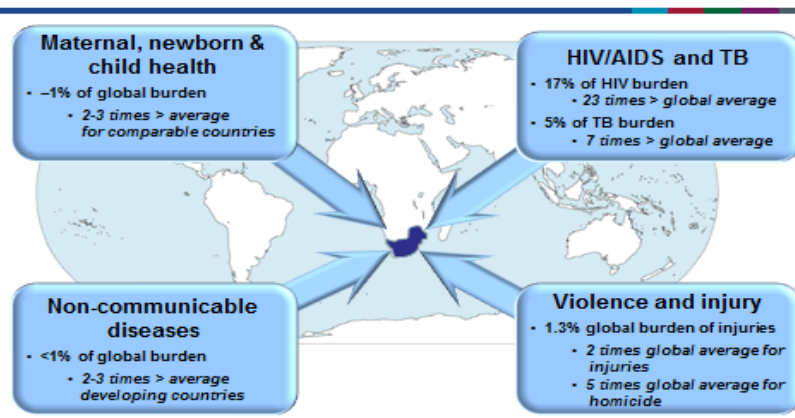


- Population over 55, 91 million (>60% urban)
- Upper Middle-income (2016) : GDP = \$361 billion and GDP per Capita = \$ 7593
- Total expenditure on health pc (2014): \$ 1 148
- Total expenditure on health % GDP (2016): 8.8
- Life expectancy 59.7/65.1 years(Midyear Population Estimates 2016, StatsSA)
- Infant mortality rate at 33,7 per 1 000 live births(Midyear Population Estimates 2016, StatsSA)
- High inequality (Gini-coefficient) = 0.69



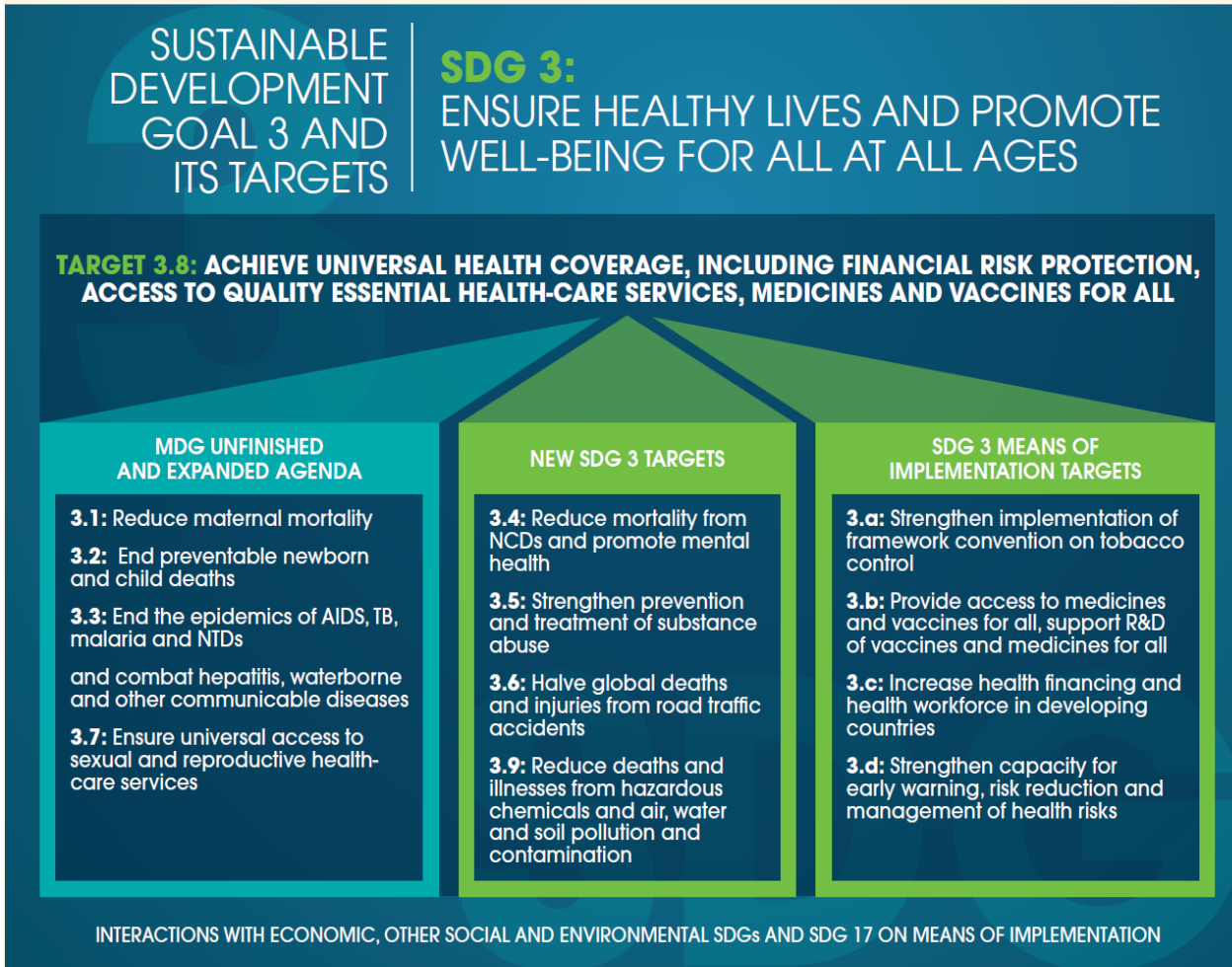
South Africa: a cocktail of four colliding epidemics

THE LANCET



TRANSFORMATION TOWARDS UHC (1)

A framework for the SDG health goal and targets



The Constitution
of the Republic of South Africa, 1996

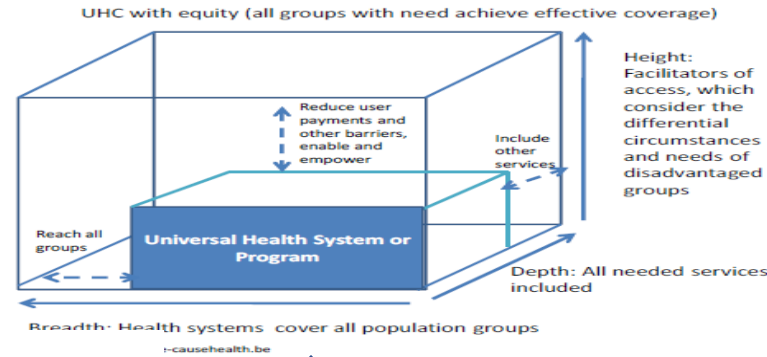
Act 108 of 1996

NATIONAL DEVELOPMENT PLAN (NDP) VISION 2030

Envisions a health system that works for everyone and produces positive health outcomes, and is accessible to all and that by 2030, South Africa should have:

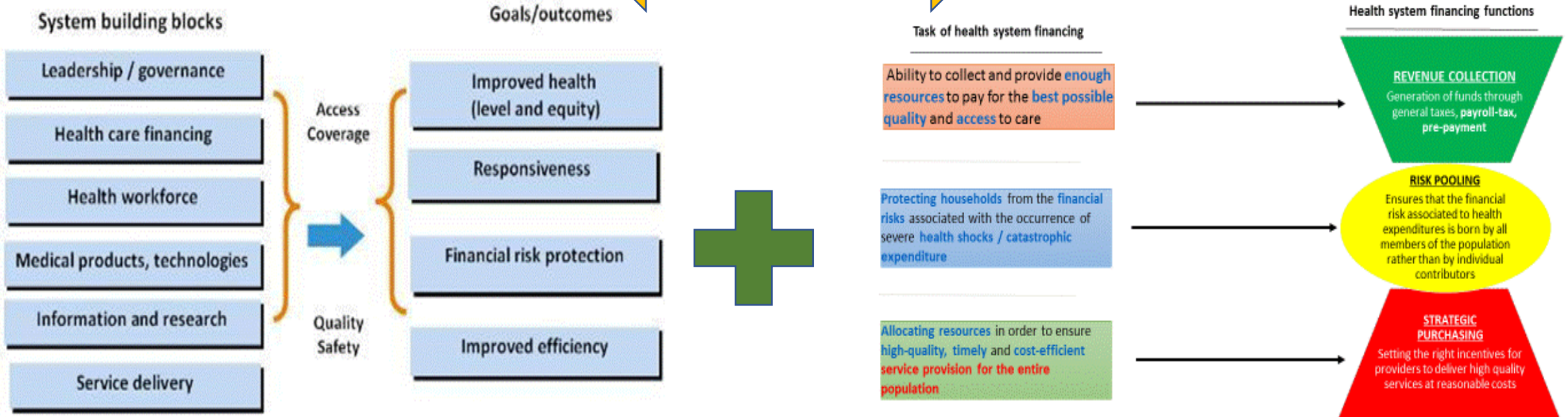
- Raised the life expectancy of South Africans to at least 70 years;
- Produced a generation of under-20s that is largely free of HIV;
- Reduced the burden of disease;
- Achieved an infant mortality rate of less than 20 deaths per thousand live births, including an under-5 mortality rate of less than 30 per thousand;
- Achieved a significant shift in equity, efficiency and quality of health service provision;**
- Achieved universal coverage;**

TRANSFORMING FOUNDATIONS AND INSTITUTIONS FOR UHC



HEALTH SYSTEMS STRENGTHENING

NATIONAL HEALTH INSURANCE



2012 2017/04/03

14 YEAR IMPLEMENTATION HORIZON

2026

EXTERNAL HEALTH FINANCING AS % OF TOTAL HEALTH EXPENDITURE

(2011/12-2017-2018)

Rand million	11/12	12/13	13/14	14/15	15/16	16/17	17/18	Annual nominal change
Public sector								
National Department of health core	1,772	1,926	2,243	3,955	4,610	4,585	4,842	18.2%
Provincial Departments of Health	111,324	122,492	130,690	140,889	150,869	159,540	169,350	7.2%
Defence	3,400	3,460	3,734	3,849	3,933	4,225	4,536	4.9%
Correctional services	519	584	628	692	734	759	825	8.0%
Local government (own revenue)	1,977	2,096	2,221	2,355	2,496	2,628	2,768	5.8%
Workmens Compensation	3,369	3,000	2,713	2,821	2,934	3,090	3,253	-0.6%
Road Accident Fund	785	1,138	1,204	1,279	1,352	1,424	1,499	11.4%
Education	4,929	5,274	5,561	5,875	6,133	6,458	6,781	5.5%
Total public sector health	128,075	139,971	148,994	161,715	173,062	182,710	193,854	7.2%
Private sector								
Medical schemes	107,383	117,528	129,789	139,134	148,456	158,105	167,591	7.7%
Out of pocket	18,202	19,294	20,452	21,679	22,980	24,198	25,480	5.8%
Medical insurance	3,120	3,392	3,687	4,007	4,356	4,587	4,830	7.6%
Employer private	1,491	1,621	1,762	1,915	2,081	2,192	2,308	7.6%
Total private sector health	130,196	141,835	155,689	166,735	177,873	189,082	200,210	7.4%
Donors or NGOs	5,308	5,574	5,852	6,145	6,097	5,876	5,642	1.0%
Total	263,579	287,379	310,536	334,595	357,033	377,668	399,706	7.2%
Total as % of GDP	8.6%	8.6%	8.6%	8.6%	8.5%	8.3%	8.1%	
Public as % of GDP	4.2%	4.2%	4.1%	4.2%	4.1%	4.0%	3.9%	
Public as % of total government expenditure (non-interest, main budget)	15.0%	15.2%	15.1%	15.2%	15.2%	15.2%	15.2%	
Private financing as % of total	49.4%	49.4%	50.1%	49.8%	49.8%	50.1%	50.1%	

External Finance <2.9% of public sector spending and <1.4% of THE

FRAMEWORK FOR EXTERNAL FINANCING (1)

- a) Aid Effectiveness Framework (AEF) for Health in South Africa became effective after the 21 January 2011
- b) Overall goal of AEF - to empower the South African Government (SAG) to take the lead in co-ordinating and overseeing development aid at all levels, combined with its own resources, in dialogue with its development partners.
- c) AEF aimed at addressing issues of aid alignment to the Negotiated Service Delivery Agreement (NSDA) of the Ministry of Health (MOH) and the harmonisation of development partners' action plans to this alignment.
- d) AEF also aimed at address the establishment of mutually agreed parameters that will provide transparency, accountability, and reliable assessment of performance that would entail financial and other substantive accountability, answerability for the management and control of resources, and for project management.

FRAMEWORK FOR EXTERNAL FINANCING (2)

- e) Development partners were expected to contribute, support and ensure accountability of official development assistance (ODA) utilised in the implementation of the department's NSDA.
- f) The intention of the framework was to forge a collaborative partnership between the Department of Health (DOH) throughout its various levels, its development partners representing bilateral donors, multi lateral organisations, private sector business entities and civic society organisations (CSOs).
- g) All development partners were encouraged to support the AEF and contribute to its implementation, towards the achievement of the NSDA outcomes and the Millennium Development Goals (MDGs).

GUIDING PRINCIPLES - AEF FOR HEALTH

1. THE PARIS DECLARATION ON AID EFFECTIVENESS

- a) Ownership of development strategies by the Government of South Africa
- b) Alignment of aid by development partners in line with the following strategies
- c) Harmonisation of actions by development partners through co-ordinating their actions sharing information and simplifying procedures
- d) Managing for results by producing and measuring development results
- e) Mutual accountability for development outcomes by the government and development partners.

2. EFFECTIVE DEVELOPMENT COOPERATION

- a) Ownership
- b) Focus on Result
- c) Inclusive Development Partnership
- d) Transparency
- e) Mutual accountability amongst Partners

SOME OF THE ACTIVITIES FUNDED THROUGH EXTERNAL FINANCING

National Health Insurance	Health System Strengthening Initiatives	Improving Life Expectancy	Surveillance and Emergency Preparedness
Ministerial Advisory Committee on NHI (2009-2014)	Service Delivery including PHC Reengineering, Ideal Clinic, quality improvement and establishment of OHSC	HIV and AIDS Disease Burden	NAPHISA
NHI Workstreams (2015-2017)	Human Resources Development - WISN and Management training	Tuberculosis	
Health Patient Registration Systems and other Information System requirements for NHI	Medicines Vaccines and Diagnostics- Stock visibility system	Maternal and Child Health	
Alternative reimbursement strategies	Monitoring, Evaluation and Information and Systems Research	Malaria and neglected Tropical Disease	
Health Technology Assessment	Governance Reforms	Addressing NCDs	
Costing	Public Finance management capacity building / Revenue retention		
Capacity building	Capacity building		
Policy Dialogue	Policy dialogue on various initiatives e.g. Medicine Regulatory Authority		
Establishment of Monitoring, Evaluation and Research Framework for UHC through BRICS Collaborative			

EXAMPLE OF DONOR FUNDING - BUDGET SUPPORT (HEALTH INFORMATION SYSTEMS)

Donor	Project
European Union Sector Support on PHC	National Health Information Repository and Data warehouse for Data Analytics and Geospatial Analysis
	Standardisation of Patient Administration at PHC Facilities
	Provision of IT Hardware for 350 PHC facilities
	Implementation of the Health Patient Registration System
	Software Development, Enhancements and Maintenance of the Health Patient Registration System and the Building of the Enterprise Architecture Design for a Patient Information System
	Health Patient Information Systems Assessment
Global Fund	Implementation Support for the Implementation of the HPRS at Facility Level
	Internet Connectivity Through LTE Mobile Technology Routers 2900 facilities for a period of 2 years
Gates Foundation	Implementation Support for the Implementation of the HPRS at Facility Level
	Development of the Health Information Exchange
USAID-CDC	Implementation of Information systems at PHC Facilities, linked to Programmes such as HIV and Maternal and Child and also Laboratory Services

EXAMPLE OF DONOR FUNDING - TECHNICAL ASSISTANCE

DONOR	AREA OF TECHNICAL ASSISTANCE	FORM OF TECHNICAL ASSISTANCE
JICA	National Health Insurance Capacity Building on Health Financing	Training, Workshops, Seminars, Study Tours
FRANCE	HSS-Strengthening of Decentralised Governance	Capacity building taking into account need for centralised- decentralisation
	National Health Insurance Strategic Purchasing	Diagnosis Related Groups
	National Health Insurance Capacity Building	CERTIFICATES, DIPLOMAS, MASTERS AND PhD and Study Tours
DFID	National Health Insurance – Green to White Paper and other areas of Policy Development	Ministerial Advisory Committee on NHI
	National Health Insurance Policy Dialogue	Multi-Stakeholder Consultation
EU Dialogue Facility	Policy Dialogue	Multi-Stakeholder Consultation
Global Fund	Medicines availability	Central Medicine Dispensing and Distribution Programme
WHO-EU-Luxembourg	National Health Insurance	Development of NHI Policy and Implementation Plan
	HSS – Provincial support	Strengthening Cross-Programmatic Efficiency
USAID	National Treasury Strategy on NHI	Capacity building, costing of NHI

EXAMPLE OF TECHNICAL SUPPORT: NHI WORKSTREAMS

Work Stream 1

- Prepare for the establishment of the NHI Fund

Work Stream 2

- Design and Implementation of NHI Health Care Benefits

Work Stream 3

- Prepare for the purchaser-provider split

Work Stream 4

- The role of medical schemes in an NHI environment

Work Stream 5

- Completion of NHI Policy

Work Stream 6

- Strengthening of the District Health System

KEY CHALLENGES WITH EXTERNAL FINANCING SUPPORT UHC ACTIVITIES

- a) Trend emerging of Donor Funding reducing
 - As an upper middle income country - SA will move from Grant recipient to Loan recipient
 - DfID and GiZ have or are in the process of exiting the Sector and the country
 - JICA has clearly stated the as a upper middle income country...loan funding will be applicable
- b) Poor Alignment and Harmonisation with national policies and strategies
- c) Multiplicity of partners still providing support to disease programmed / or HSS without collaborating with central government
- d) Reduced interest in funding of activities related to capacity building
- e) Lack of a common understanding about exit strategies of the various donors and implications thereof including sustainability thereof
- f) Anxiety especially amongst civil society groups active in areas of improving life expectancy

WAY FORWARD

1. Better harmonisation and alignment
2. Planning for coordinated transition and sequencing of transition
3. Participating in Forums such as UHC2030 Partnerships with a particular interest on:
 - a) HSS
 - b) Governance and Accountability including in the development and implementation of M&E for UHC 2030 and SDGs
 - c) Advocacy on UHC 2030
 - d) Transition strategies and Roadmap development
4. Better use of domestic budgets-following up on addressing Cross-Programmatic Inefficiencies
5. Maximising opportunities for capacity building in Technical areas of UHC agenda

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