



# STATEMENT

## Statement on sustainability and transition from external funding

**All countries can face critical pressures on their health systems but some issues are particularly salient for low- and middle-income countries that are currently or will soon be 'transitioning' toward much lower levels of external funding.**

Effective responses to transition must be specifically adapted to each country's context but a common guiding principle is to maintain or even increase effective coverage for priority health interventions and services, including those currently supported with external funds. This does not mean simply channelling government revenues to pay for a previously donor-funded programme. Rather, transition provides an opportunity for countries to assess how governance, financing and service delivery are configured to ensure the sustainability of effective coverage for priority interventions. Hence, health system strengthening is at the core of the response to transition if progress towards universal health coverage is to be sustained. By placing the focus in this way, it ensures that policy makers in countries and their development partners are working together towards sustainable solutions to the problems presented by transition.

UHC2030 is working to build consensus on the centrality of sustainability during transition and promote a common understanding of core issues related to transition and approaches to deal with these, focusing on coverage and health outcomes and impact.

The UHC2030 Statement on sustainability and transition from external funding reflects the main concepts and principles that UHC2030 partners consider key to take this agenda forward. The statement has been developed by a technical working group bringing together country representatives, health system and disease experts from the World Bank Group and the World Health Organization (WHO), bilateral partners, global health initiatives, other organisations, including academia, think tanks and civil society. Country interest has been particularly strong, with 15 countries actively engaged in the group, including both Ministry of Health and Ministry of Finance representatives.

The statement was presented to the UHC2030 Steering Committee in June 2018, and is launched following a wide consultation process. This statement will serve as a basis for advocacy, political influencing and informing transition-related coordination and processes, both at national and global levels.

# Sustainability and transition principles.

The recommendations below are summary points from the UHC2030 statement on sustainability and transition from external funding. They are directed at governments of countries experiencing transition from external funding and the broad range of development partners working in these contexts.

1. Develop policies on transition within the context of universal health coverage that includes leaving no one behind.
2. Promote national ownership and good governance for people-centered approaches and social accountability for effective transition policies.
3. Understand sustainability as a health system's ability to sustain or increase effective coverage of priority interventions and associated outcomes towards UHC.
4. Adopt the perspective of the health system in transition processes, including the other sectors that influence health, and move away from a singular focus on specific individual health programmes.
5. Strengthen national institutions to ensure successful transitions.
6. Make the case for adequate domestic resources for the health sector as a whole.
7. Focus on transition as an opportunity for countries to improve the way they use resources.
8. Ensure that health systems strengthening and disease-specific programs work closely to identify barriers and actions needed in order to progress towards UHC.
9. If you are a development agency support well-coordinated national transition plans that adopt a UHC perspective
10. If you are a development agency operating at global and country levels, ensure consistency and synergies for coherent support to countries.

## Sustainability and transition

The Sustainable Development Goals set an ambitious agenda to enhance healthy livelihoods and promote well-being worldwide. To do so, a key objective for each country is to move towards Universal Health Coverage (UHC), by increasing access to needed health interventions and services, without financial hardship, for their populations and especially for vulnerable groups. Countries are undergoing a range of transitions with profound implications for their health systems. They face a shift in disease burden towards a greater share of non-communicable diseases, health financing transitions involving a reduction in reliance on out-of-pocket payments and a greater role for pooled finance, and political changes including decentralization, which are reconfiguring the policy space. Increased national income expands the potential for domestic resource mobilization, but also restricts eligibility for external funds. A main concern for these countries and their development partners is how to maintain a positive trajectory of overall population health and equitable access to priority health interventions and services while external funding is decreasing. It is this latter transition, from external funding, that is the subject of this statement.



The members of the UHC2030 working group on sustainability and transition reported that 58 countries (approximately 40% of all low and middle income countries in the world) are currently or will be facing a transition from working group member programs in the next 5 to 10 years. External funding is a particularly important funding source for low income countries. The process of transition from assistance is concentrated among lower middle-income countries where the share of public domestic resources in total health expenditure needs to increase.

### Selected financial indicators of 58 transition countries

		(a) Number of countries with current and projected transitions*	(b) Average** Projected GDP growth (2017-2022)	(c) Average** Domestic General Government Health Expenditure (GGHE-D) as % General Government Expenditure (GGE) - 2015	(d) Average** External Health Expenditure (EXT) as % of Current Health Expenditure (CHE) - 2015
Income	Low	6	4.9%	4.0%	43.9%
	Lower middle	33	4.3%	8.7%	9.9%
	Upper middle	19	4.1%	10.5%	3.1%
Region	East Asia & Pacific	10	4.9%	7.0%	11.0%
	Europe & Central Asia	11	4.0%	9.0%	1.7%
	Latin America & Caribbean	13	4.4%	12.7%	4.2%
	Middle East & North Africa	2	3.5%	7.4%	0.1%
	South Asia	3	7.0%	6.8%	2.4%
	Sub-Saharan Africa	19	3.8%	7.6%	23.8%
<b>TOTAL</b>		<b>58</b>	<b>4.3%</b>	<b>8.8%</b>	<b>11.4%</b>

There is a particularly high dependency on external funding for health in Sub Saharan African and East Asian and Pacific countries. Many of the 58 transitioning countries have some potential to enhance the priority of the Health Sector within the public budget.

\* Projected next 5 to 10 years - transitions from Gavi and/or Global Fund, reported by Working Group members.  
\*\* Unweighted average.

Sources:  
(a) Transition Mapping, data reported by Working Group members. Think Well Global 2017  
(b) IMF World Economic Outlook October 2017  
(c) and (d): WHO. Global Health Expenditure Database (<http://apps.who.int/nha/database>, accessed May 2018)

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The purpose of the UHC2030 statement on sustainability and transition from external funding is to contribute to a consensus among countries and development partners on a set of common principles to guide the actions of national governments, development agencies, and other health stakeholders such as the private sector and civil society groups, in response to transition from external funding. While it is recognized that appropriate responses to transition must be specifically adapted to each country's context, the set of common principles are proposed as follows:

### Transition and sustainability is first and foremost a matter of national ownership.

#### 1

Policy development on transition from external funding should be positioned within the context of a country's move towards UHC that includes leaving no one behind.

#### 2

Transition and sustainability is first and foremost a matter of national ownership, which requires effective governance structures, planning and strategies to guarantee people-centered approaches and social accountability mechanisms. This entails the engagement of multiple stakeholders that provide legitimacy, support and resources to the transition process. This includes agents from different ministries, and public and private health providers as well as active engagement of citizens and civil society organizations

#### 3

Sustainability in relation to transition should be understood as the health systems ability to sustain or increase effective coverage of priority interventions and associated outcomes. Sustainability does therefore not narrowly relate to financial sustainability or self-reliance.

#### 4

To sustain improvements in coverage, transition processes must move away from a focus on specific individual health programs and adopt the perspective of the health system, including the other sectors that influence health. Such a system-level analysis will help to reduce fragmentation, duplication and ineffectiveness of siloed efforts by countries and global partners which can impose high costs on the system as a whole, while at the same time preserving and extending priority health gains. The process of integrating specific (vertical) programs into a system-wide approach to financing and delivery may need to be incremental, with progress reflecting the growing ability of the system to deliver outcomes.

#### 5

Strengthening national institutions is at the core of successful transitions. Coordinated partnerships for national capacity building will focus on key areas defined according to the needs of each country avoiding creating unnecessary parallel systems. Countries recognize and value the technical assistance and opportunities for cross-country learning that donors provide to improve functional responsibilities, information generation and analysis, public financial management, procurement systems, contracting with providers, among others. In a transition process there is need to ensure this expertise is available and applied to addressing health system challenges, strengthening national and subnational capacities, while acknowledging the important role of decentralized authorities in certain countries.

### Strengthening national institutions is at the core of successful transitions

## 6

From a financing perspective, joint efforts of the Ministries of Health and the Development Partners should be directed to making the case for health as a whole, raised in an equitable manner, rather than focusing on the immediate financial needs of any one program. The level of resource mobilization will depend on both a country's fiscal capacity and political choices about how much priority to give to health within the government budget. The momentum around UHC may provide an opportunity to increase the profile of health on the political agenda, and to strengthen dialogue with finance ministries. Civil society actors can also play a role in communicating and advocating the importance of overall health expenditure, and the need to monitor how the burden of health spending is distributed.

## 7

Financing choices are not just about the level of funding available: how resources are used is also critical. Transition provides an opportunity for countries to enhance their ability to use resources – both domestic and external – in a more efficient and accountable manner to achieve the desired health system performance goals. Financing arrangements must enable the most effective response to the changing disease burden – addressing the emerging challenge of NCDs while sustaining progress on other outcomes. Integration of systems and services may offer both opportunities to increase efficiency and to improve patient experience. There is also a positive synergy between demonstrating efficient resource use and successfully making the case for additional resources.

## 8

From the perspective of the service delivery systems, fostering a closer working relationship between decision makers and specialists working in the fields of health system strengthening and those working in disease programs will allow a clearer identification and prioritization of fundamental health system barriers that constrain the coverage of priority interventions and services, thus linking more directly health system strengthening strategies with health gains, particularly for vulnerable populations.

## 9

Development partners have a critical role to play in supporting and enhancing well-coordinated national transition plans. They can do this by providing adequate notice of upcoming transition points, enabling national leadership to undertake timely transition assessments and plans, providing coordinated and predictable funding projections and adhering to them, harmonizing assessment tools, and avoiding duplication and conflicting policy measures. They can help to identify and support opportunities for integration, streamlining, and targeted system support. Coordinated dialogue and support (in the spirit of IHP+/UHC2030) can help countries prepare for transition by strengthening domestic policies and institutions to deliver on national priorities.

## 10

Better synergies are also needed within development agencies between those operating at the global level and those working at country level, to ensure that goals are consistently translated into objectives and indicators that country programs work towards.

## Barriers

Examples of barriers faced by transitioning countries to increasing / sustaining coverage of priority interventions and services that require more operational guidance.

- Insufficient priority in national policies and resource allocation mechanisms to ensure the access of vulnerable, marginalized and/or hard to reach populations to priority health interventions and services.
- Weak commitment and absence of effective mechanisms to adopt good practice on social accountability.
- Absence of legal, contractual and public financial management frameworks to enable governments to contract with non-state providers to provide services to vulnerable populations.
- Lack of access to pooled procurement processes, negotiated prices, and public procurement capacity to assure supplies of critical medicines and supplies.
- Challenges of absorbing programme staff into the general health system.
- Parallel information, procurement and administrative systems that are time-consuming and do not support effective management.

UHC2030 provides a multi-stakeholder platform to promote collaborative working in countries and globally on health systems strengthening (HSS). We advocate increased political commitment to universal health coverage (UHC) and facilitate accountability and knowledge sharing. A main purpose of UHC2030 is to encourage partners and related initiatives to coordinate their efforts on health systems strengthening.

[www.UHC2030.org](http://www.UHC2030.org)



[info@UHC2030.org](mailto:info@UHC2030.org)



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