



# CABRI Public Health Budget Practices and Procedures Survey

## Public Health Budget Practices and Procedures in Africa: *How African Countries Budget for Health*

Launch presentation – 21 May 2020

# About the report

# The Public Health Budget Practices and Procedures Report provides an inquiry into the funding practices and processes around public health interventions in Africa

## Purpose of the survey

The survey seeks to provide useful insights into the public health budgeting process to inform policy considerations around financing and expenditure management in the sector and will therefore probe issues relating to the following



Allocation and expenditure to public health interventions

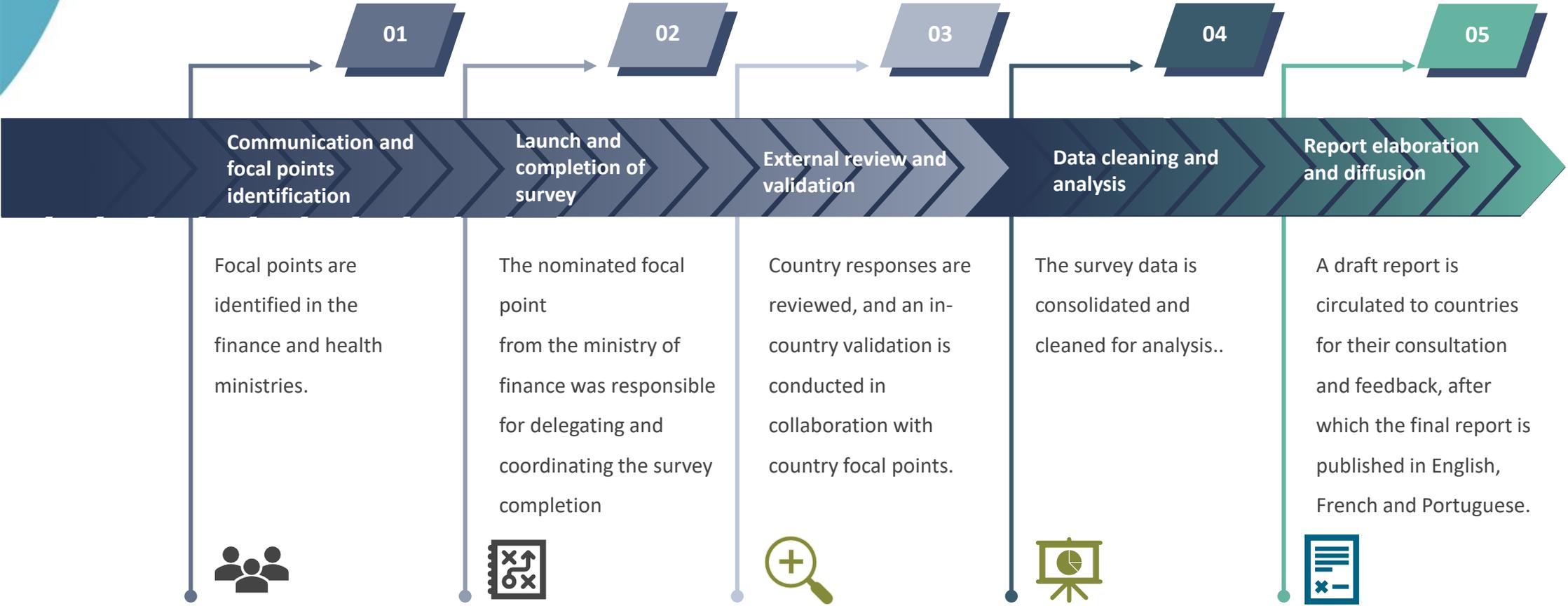


Institutional arrangements that shape public health financing considerations and coordination



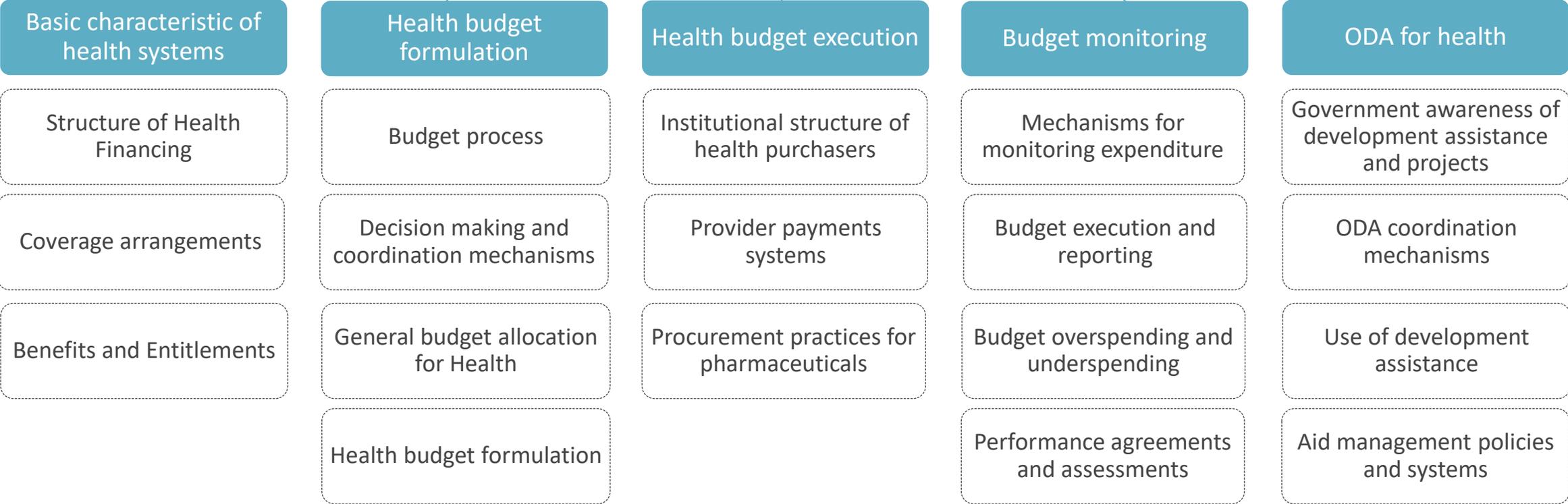
Financing and budgeting for Water, Sanitation and Hygiene (WASH)

# The survey was informed by data collated from country respondents from the ministry of health and/or the ministry of finance



# What information about health financing the report highlights

What data was collected ?



# The CABRI's Public Health Budget Procedure and Process Survey was conducted among 15 African countries, heterogeneous in terms of health and socioeconomic conditions

## Life expectancy

Average life expectancy in the sample countries was **60.6 years**, which is close to the average for Africa (**61.2 years**), but significantly lower than the global life expectancy (**72.0 years**) estimated by World Health Organization (WHO) in 2016.

## GDP Per capita

The global average GDP per capita in 2018 was **US\$15 914**, while the average for sub-Saharan Africa was **US\$3 536**. The average for the sample is **US\$5 855**, about **65%** higher than the average for Sub-Saharan Africa.



## Population

The two island nations, the **Seychelles** and **Mauritius**, have small populations of **97,000** and just **more than a million people**, respectively. At the other end of the scale, **Nigeria** is the most populous country in Africa.

## Income inequality, Gini Coefficient

**South Africa** has the most unequal economy in the world, reflected in a high Gini coefficient of **63** (a lower Gini coefficient shows a low level of inequality). **Sierra Leone** has a much more equal economy, with a Gini coefficient of **34.0**.

Benin | Cameroon | Chad | Congo, Dem. Rep. | Cote d'Ivoire | Gambia, The | Guinea-Bissau | Lesotho | Liberia | Mauritius | Nigeria | Seychelles | Sierra Leone | South Africa | Uganda

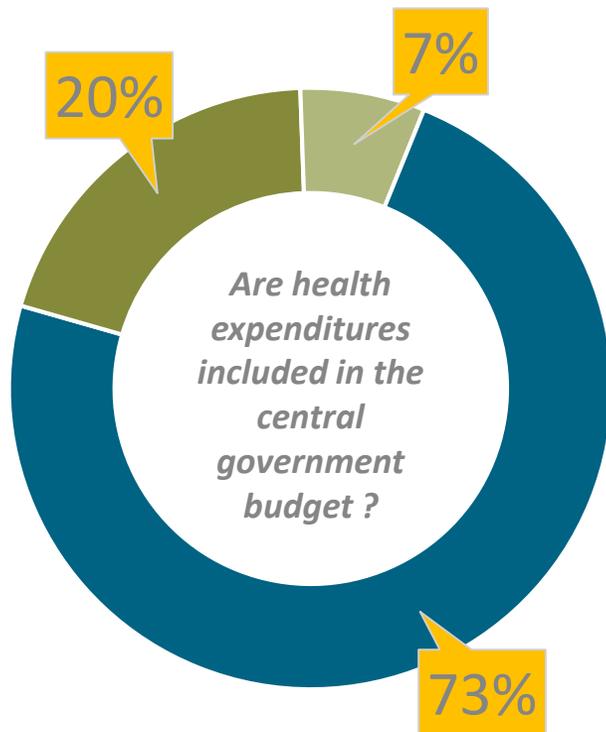
# How African Countries Budget for Health

## *Budget formulation*



## Most of countries have 100% of health expenditures in their central government budget, while only part of the health budget is reflected in countries such as Guinea Bissau, Nigeria, and South Africa

■ Yes, Fully ■ Yes, Partially ■ Not



- **73%** of participants countries have the full health budget in central budget
- **67%** of countries have a central budget authority, usually a ministry of finance, which set expenditure levels for healthcare

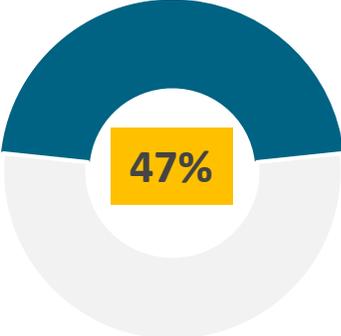


*In Chad, the expenditure of all sectoral ministries and institutions is centralised by the Ministry of Finance, and in particular by the General Directorate of Budget Services. In terms of budget preparation, the General Budget Directorate allocates envelopes to the Medium-Term Expenditure Framework (MTEF) that each sectoral ministry will adapt in its budget. Subsequently, the Ministry concerned, including that of health, allocates these budgetary envelopes in accordance with its needs (personnel, goods and services, transfers, and subsidies and investments (interior and exterior)).*

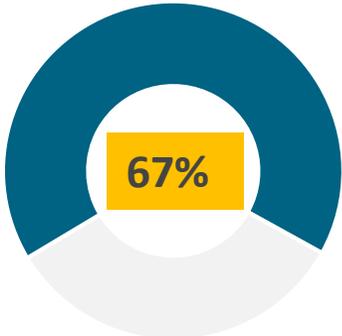
# Coordination mechanisms are widely used. Less coordination with civil society. Many countries have bodies to focus on preventative care



have a specific budget coordination body



have a mechanism to coordinate activities with civil society



reported that they have a specific body that focuses on prophylactic treatment

*The Democratic Republic of the Congo is a good example of such a body actually meeting. There are several thematic task forces, [including] six thematic technical commissions bringing together 20 to 30 members from various departments. These groups meet at least once a month. These technical commissions meet in a Technical Coordination Committee, at least once a quarter, under the chairmanship of the Secretary General for Health. A National Steering Committee, bringing together public health actors, from the central level and from the provinces, technical and financial partners, as well as civil society, meets once or twice a year, under the chairmanship of the Minister of Health.*

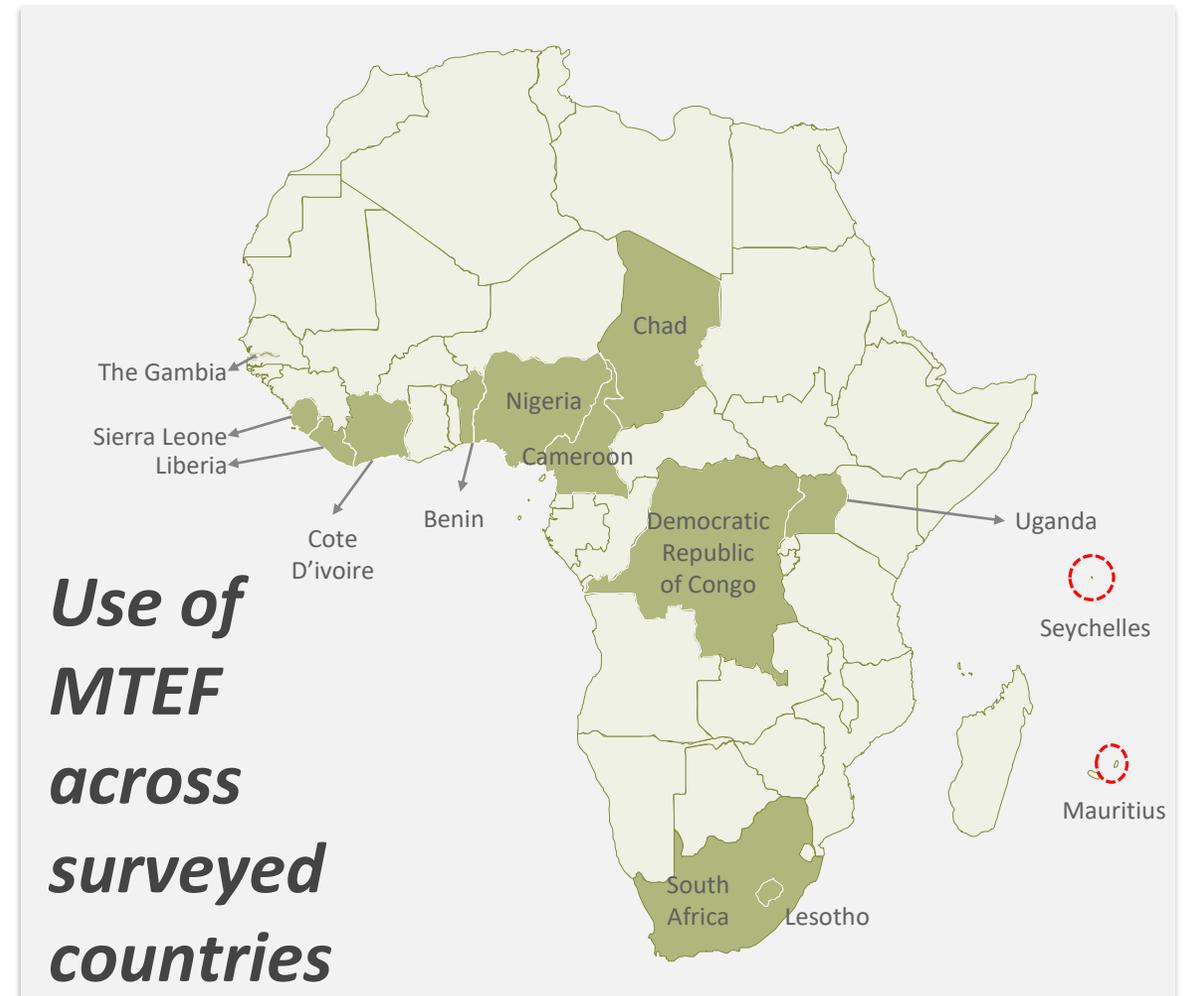


## Medium Term Expenditure Framework (MTEF) is used by nearly all countries. Allocation by healthcare function, specific disease or individual health facility is common

**90%** of surveyed countries use MTEF for mid term allocation.

**2/3** of the respondent countries provide allocations for the prevention of specific diseases, and eight of these countries use these categories as the basis for a budget appropriation.

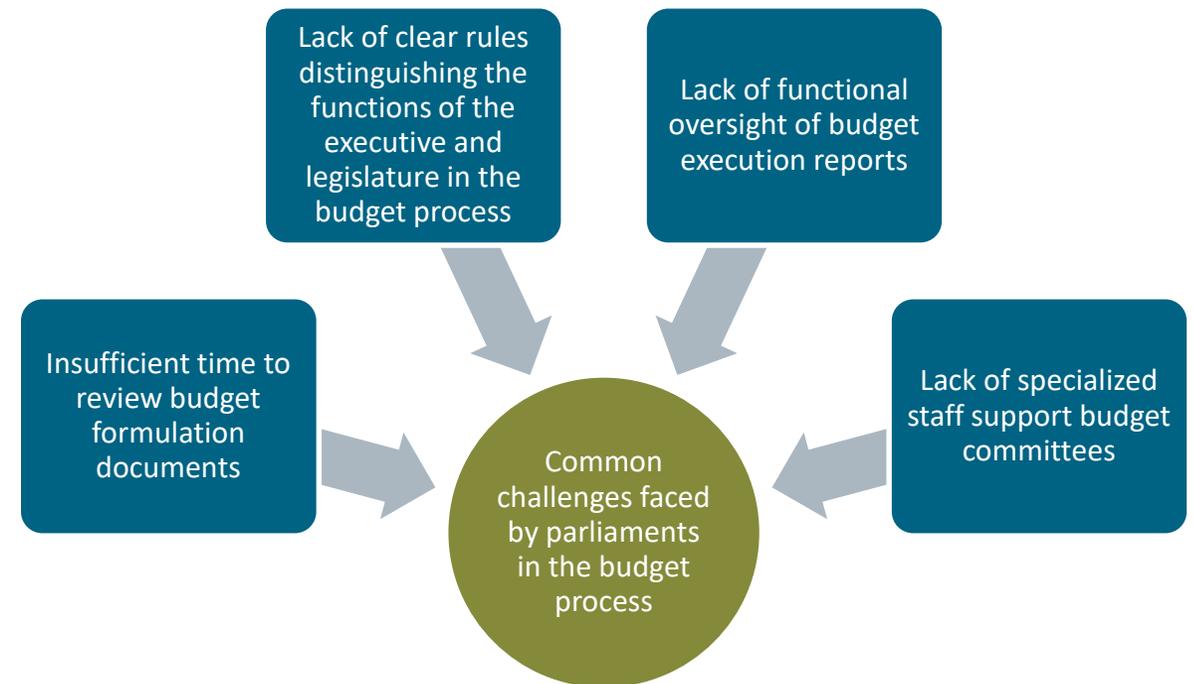
**“Allocations to specific diseases allow health officials to move funds within budgets during the fiscal year, if the funds are still being used to fight the specific disease. There is no need to go through a virement process to reallocate funding across different types of costs. This flexibility can lead to a quicker response to health crises.”**



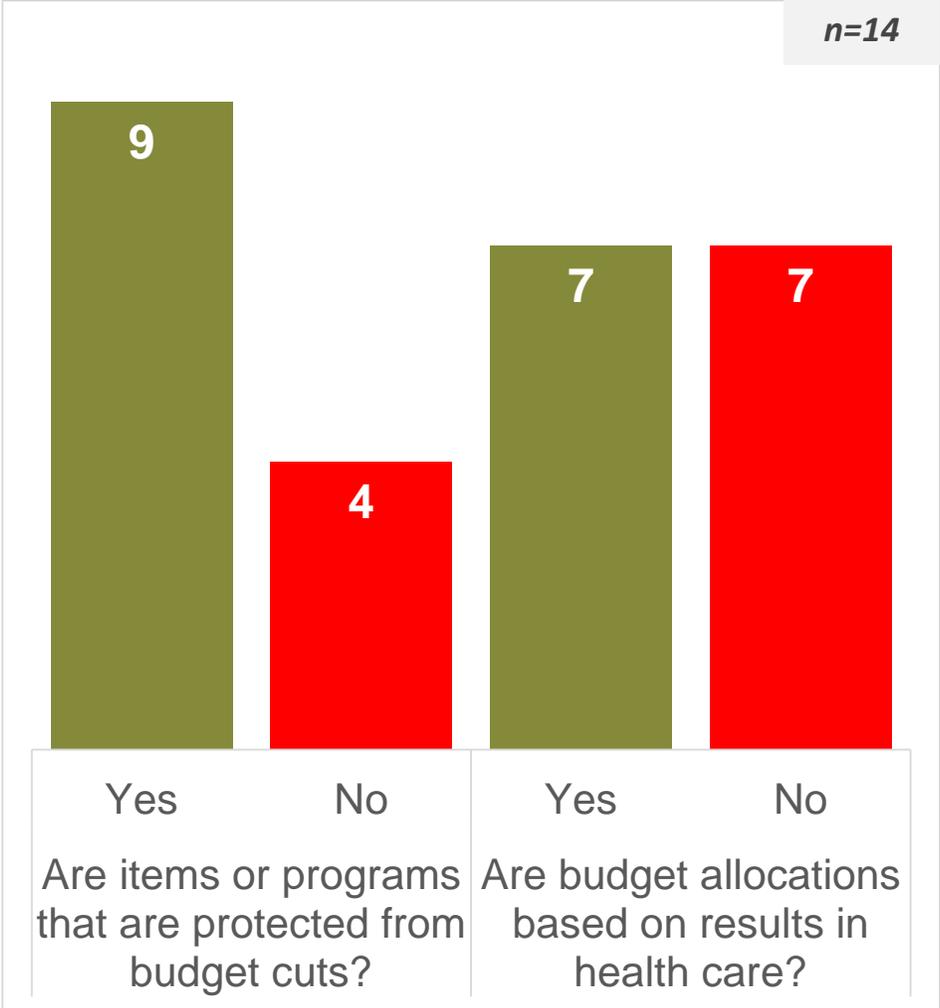
## Parliament plays an important role in the budget process by setting rules relating to the reallocation of funds from specific line items. However, challenges remain in legislature involvement in the budget process

### Role of parliament in health budget process in surveyed countries

- Parliament plays an important role in the budget process. In terms of implementing health policies, parliaments often indicate national priorities through the **use of mechanisms to prevent certain allocation being reduced.**
- These mechanisms were common in respondent countries and in some cases could be used by the central budget authority as well.

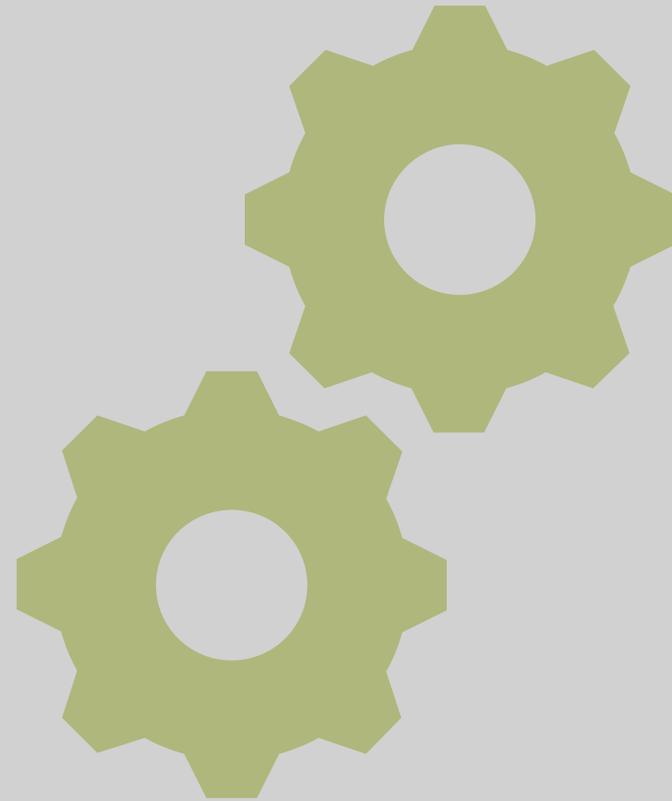


# Most countries have a system to protect certain expenditure from cuts. Performance-based budgeting used in half of the sample

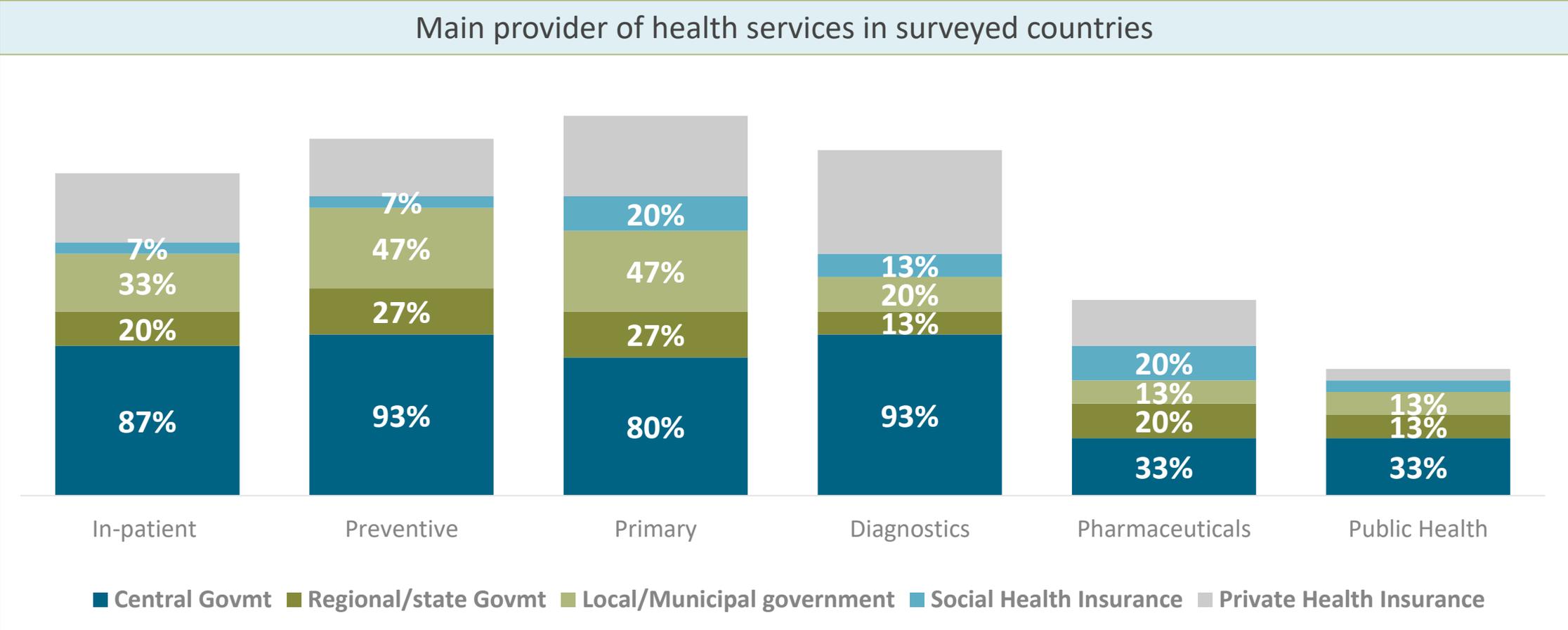


- In 2013, nearly **80%** of African had introduced or were committed to implementing performance- and programme-based budgeting but that none had a fully-implemented system (CABRI).
- By 2018, a number of other countries were in the process of adopting performance-based budgeting. Burkina Faso had adopted PBB, while Mali and Niger were scheduled to begin implementation in 2018 as part of the West Africa Economic and Monetary Union (WAEMU) commitment to implement PBB by January 2017, with a five-year transition window.
- Outside WAEMU, the Seychelles have begun implementing PBB in a staggered fashion, starting with education, and agriculture and fisheries in 2015 and extending to the whole of government by 2017 (CABRI, 2017).

***Budget execution***

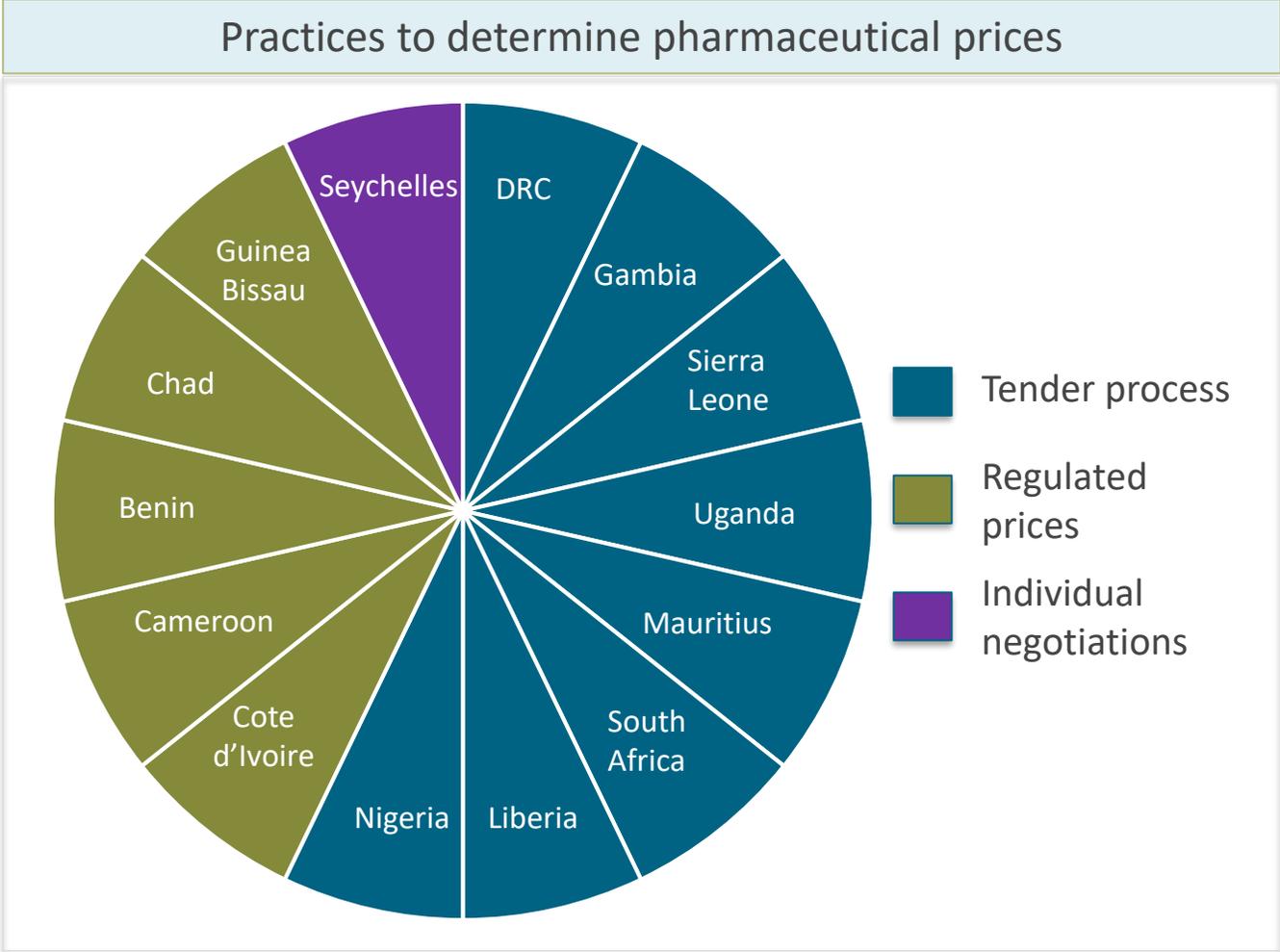


# Government is the main provider of practically all types of healthcare services, and while the central government is usually the main channel, some countries delegate healthcare functions to regional and local governments



# Determining prices is crucial to the procurement process. The most common practice among the surveyed countries is through a tender process

- The most common practice among the surveyed countries is through a tender process, which a total of 8 countries practice.
- In 5 other countries, prices are regulated. Lastly, Seychelles is the only country to use individual negotiations to determine prices.
- No countries use market prices for pharmaceuticals. These results hold for pharmaceuticals dispensed in hospitals and those dispensed in the community



# Countries need to balance different priorities in pharmaceutical procurement. As recent global and regional disease outbreaks show, procurement systems need to be able to respond to large-scale epidemics such as Ebola and COVID-19

## Keeping costs affordable

- ▶ Monitoring routine medicines expenditures
- ▶ Evaluating health technologies, budget impact
- ▶ Assessing household medicines expenditure
- ▶ Implementing and monitoring policies and programs to reduce waste, inappropriate use
- ▶ Etc...

## Improving equitable access

- ▶ Understanding socioeconomic and geographic disease and use
- ▶ Assessing household care seeking and barriers to care
- ▶ Expanding provider networks
- ▶ Targeting policies and programs to improve access for vulnerable populations

## PRIORITIES IN PHARMACEUTICAL PROCUREMENT

## Quality of generic and innovative products

- ▶ Monitoring product quality
- ▶ Prequalifying supplies, products
- ▶ Negotiating prices, quality, volume, supply - chain security
- ▶ Promoting fair competition
- ▶ Engaging in risk – sharing agreement

## Encouraging appropriate use

- ▶ Implementing and updating standard treatment guidelines (STGs)
- ▶ Matching essential medicines and reimbursements lists to STGs Assessing provider performance
- ▶ Implementing and monitoring policies to encourage clinically appropriate

# ***Budget monitoring***

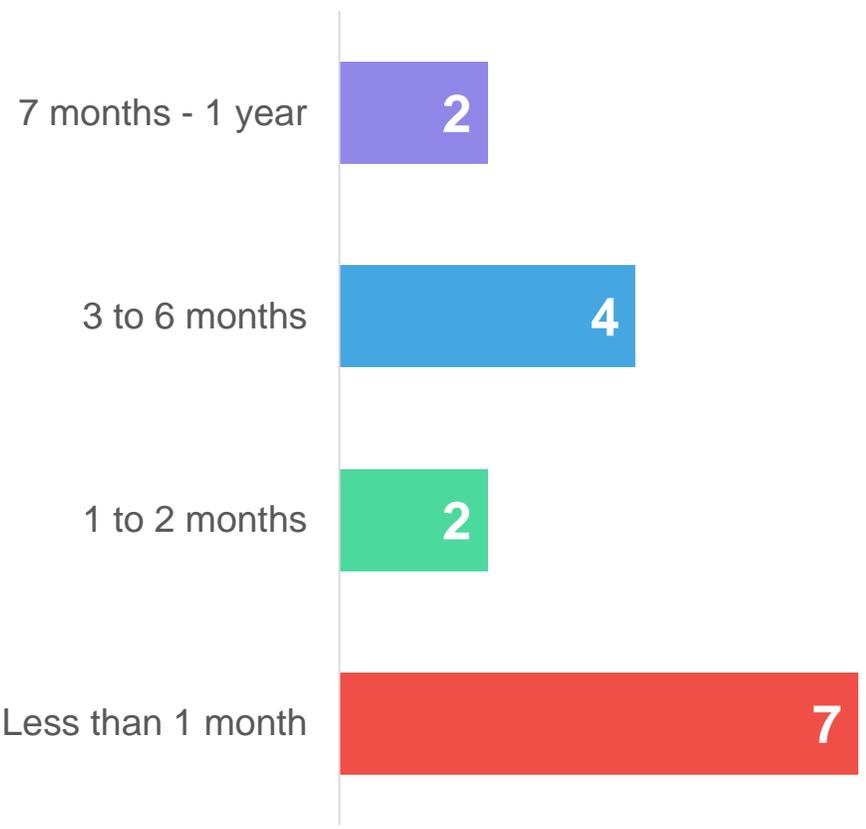


**There are a lot of similarities across countries in terms of which institutions have the mandate to monitor budget execution. Only one out of 15 countries (Chad) does not have a mechanism for monitoring budgets**

Responsibility for monitoring budget execution				
Countries	Parliament	Cabinet	Ministry of Finance	Ministry of Health
<i>Benin</i>			✓	✓
<i>Cameroon</i>	✓		✓	✓
<i>Chad</i>			✓	
<i>Congo, Dem. Rep.</i>			✓	
<i>Cote d'Ivoire</i>	✓	✓	✓	✓
<i>Gambia, The</i>				✓
<i>Guinea-Bissau</i>	✓	✓	✓	
<i>Lesotho</i>	✓	✓	✓	✓
<i>Liberia</i>	✓		✓	✓
<i>Mauritius</i>			✓	✓
<i>Seychelles</i>		✓	✓	✓
<i>Sierra Leone</i>			✓	
<i>South Africa</i>			✓	
<i>Uganda</i>	✓		✓	

# In 53% of surveyed countries, it can take over a month for information on health expenditure to be available

Within what period of time is information on health expenditure available to CBA?



## There are a number of reasons for the reporting delay.

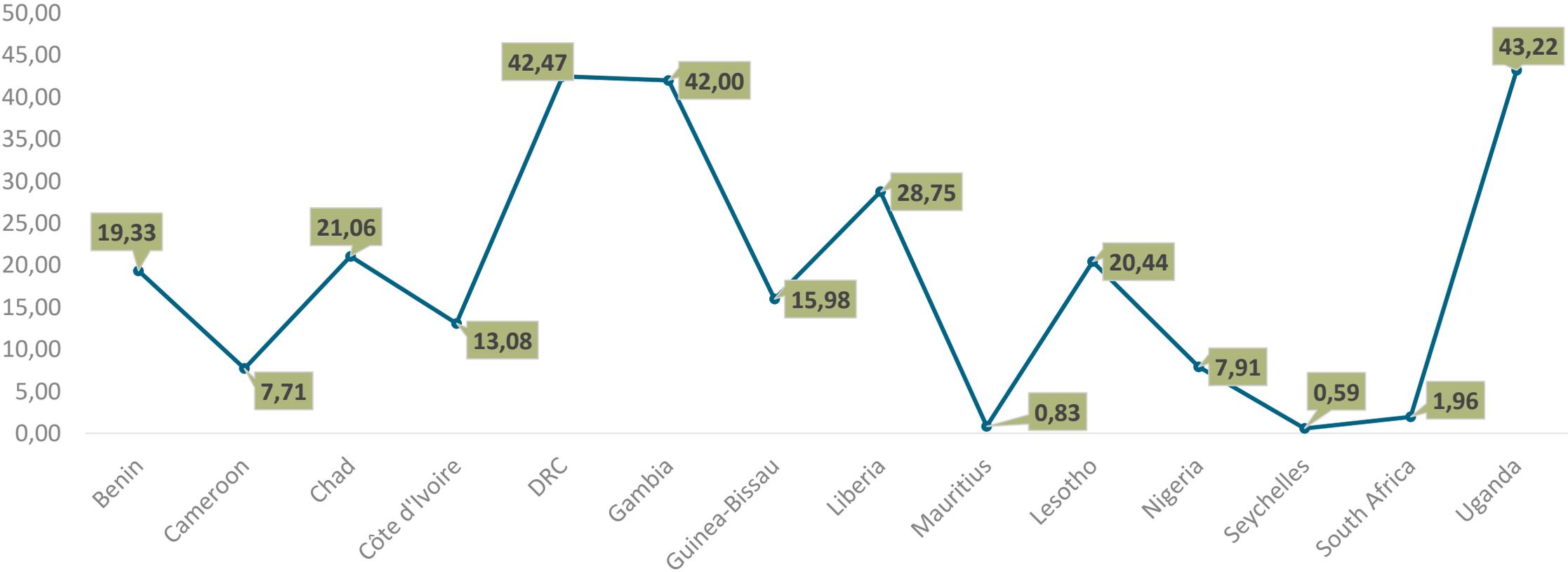
- In Nigeria delays are caused by audits, which explains the lag of more than six months in reporting on expenditure.
- In Lesotho, delays of three to six months in reporting are caused by the Ministry of Health.
- Liberia also has reporting delays of three to six months, in this case caused by reporting from healthcare service providers.
- Cote d'Ivoire has a number of explanations for reporting delays of more than six months: these are due to reporting by the Ministry of Health, reporting by sub-national governments, a lack of appropriate technology to process data, reporting by international funding agencies, and insufficient administrative capacity.

*ODA for health*



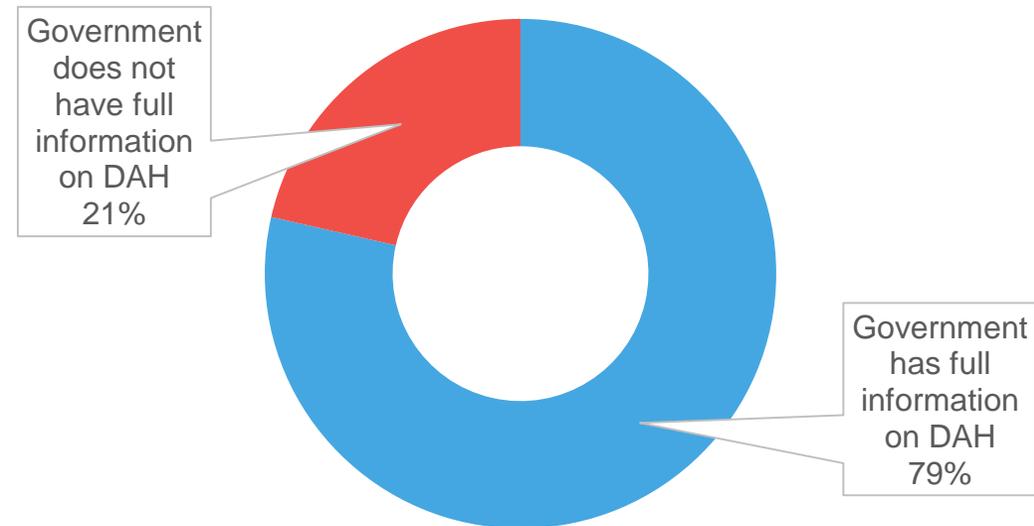
# Magnitude of Development Assistance for Health : donor flows are a significant part of total health funding for some respondent countries

External Health Expenditure (EXT) as % of Current Health Expenditure (CHE) – World Bank



## Despite the high level of awareness of donors funds and projects, only 25% of development assistance for health is managed through the PFM system in 70% of countries

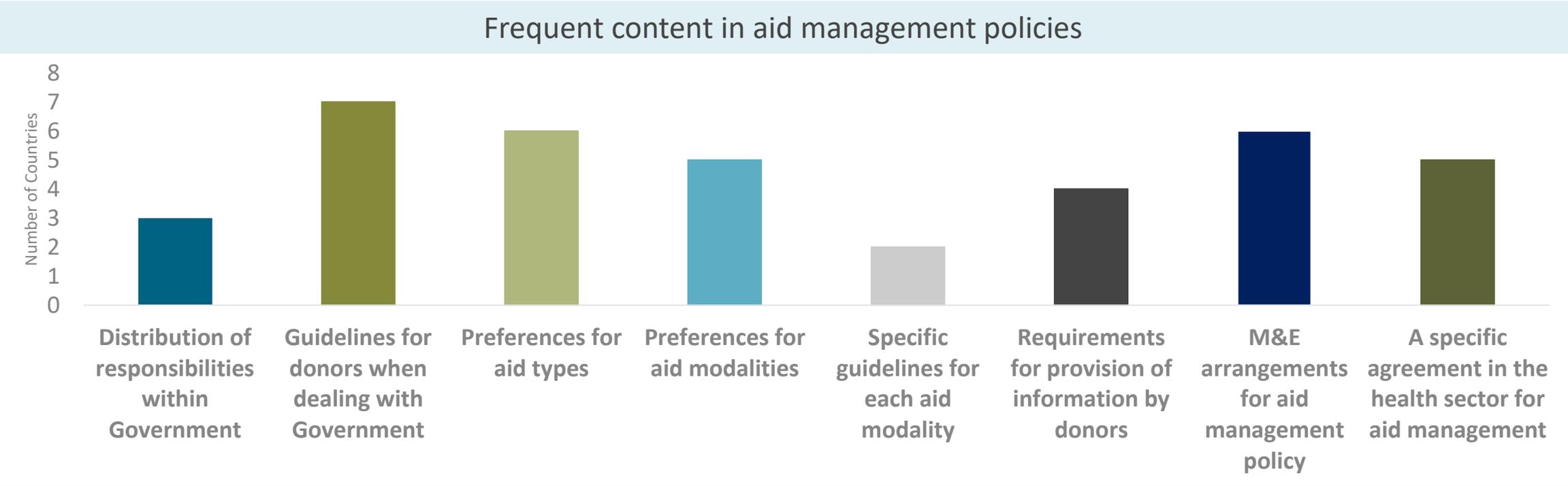
- Government awareness of the amounts of funds countries receive is vital for their efficient use and coordination.
- The survey results on government awareness show that **79% (11/14)** surveyed countries reportedly have full information on the amounts of funds committed and disbursed by international institutions and the projects which are financed.
- Less than **25%** of development assistance for health is managed through the PFM system in **70%** of countries. This indicates that aid is not sufficiently accounted for in government budgets for health.



***“In the case of the DRC, the Support and Financial Management Unit manages funds from Gavi, the Global Fund and the World Bank. The other partners have their own financial management units, which hardly report to the government.”***

# There are explicit policies for managing development assistance in nine of 14 countries, although this is not the case in the Democratic Republic of the Congo, Chad, Liberia, Mauritius, and the Seychelles

When such policies exist, it is common for them to contain guidelines for donors dealing with the government, the preferences in the type of aid, as well as monitoring and evaluation arrangements for the implementation of the aid management policy.

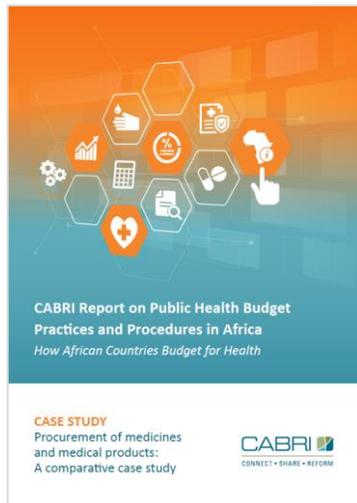
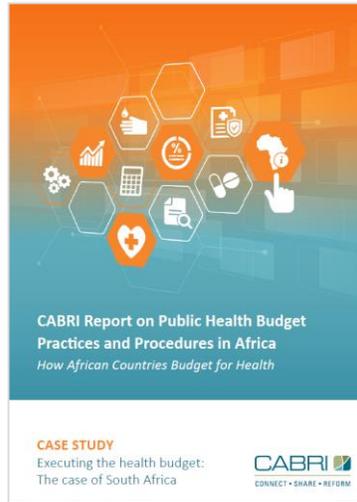
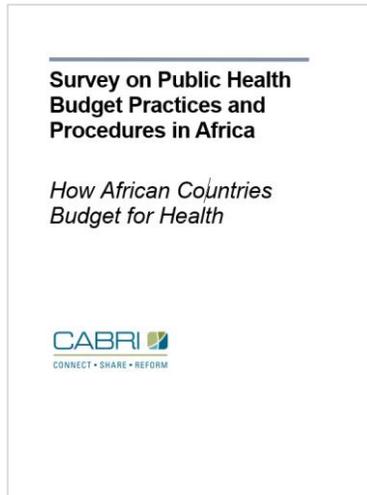




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