

**Joint Ministry of Health - Development Partners  
Summit**

**Accra, 31<sup>st</sup> October to 8<sup>th</sup> November 2005**

**AIDE MEMOIRE**

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**Aide Memoire**

**PREAMBLE**

The meeting of health partners and other key stakeholders in the health sector was held in Accra from the 31<sup>st</sup> of October to 1<sup>st</sup> November and on the 8<sup>th</sup> of November 2005. The meeting was held to review and adopt the 2006 Programme of Work (POW) and budget which were developed early this year in response to the call from Ministry of Finance and Economic Planning (MOFEP) to complete and present the 2006 budget to Parliament before the end of 2005. The meeting provided opportunities for in-depth discussion on the priorities of the health sector and the commitments by stakeholders in ensuring the implementation of the programme of work. This aide memoire reflects the key decisions and conclusions arrived at and outlines the key next steps for the implementation of POW 2006.

**THE 2006 PROGRAMME OF WORK**

The meeting agreed on the general focus of the 2006 POW, particularly on the pro-poor orientation, attempts to ensure commodity security and the strong emphasis on health promotion during 2006. Discussions focused on prioritization of available resources and the resource gap; and the need to invest in mobilizing resources to fill the gaps was identified as a key issue for 2006.

This notwithstanding, partners agreed that, pending receipt of a finalised capital investment plan in the agreed format, the 2006 Health Sector Programme of Work, was acceptable and was a fair reflection of the efforts of all stakeholders towards realizing the objectives of the Five Year Programme of Work.

The meeting reiterated a commitment to analyse the existing Health Management Information System (HMIS) and outline a comprehensive strategy for its improvement as well as support to the development of a comprehensive HMIS designed to assist all health sector managers.

The meeting agreed on the priority activities that have been identified to improve the human resource situation in the health sector. The human resource management reform will continue to be a priority in 2006 and will be closely linked to the on-going efforts of public sector reform at the national level. Ministry of Health will seek to decentralize human resource management functions.

**PLANNING AND BUDGETING**

Ministry of Health presented the budgeting process and the rationale behind each step of the entire exercise. As part of this process, all Budget Management Centres are requested to present a need based budget as well as a budget based on ceilings provided from the national level.

The meeting debated the continued relevance of the need based budgeting exercise in its present format and the current annual cycle. It was agreed that although the need based budget exercise was useful it should not be the basis for annual planning at all levels and negotiation at the health summit. The meeting suggested that the needs based planning exercise should be given a five year cycle as part of the Five Year Programme of Work and could be limited to the national level.

Ways to further align the POW budget presentation with the MTEF format were also discussed.

## **CONCLUSIONS**

- A need based budget will be prepared as part of the planning of the next five-year programmes of work, but the annual budgeting process for the health sector will be resource based. Steps will be taken to explore mechanisms for demonstrating resource gaps and additional requirements for executing the budget on annual basis.
- The Ministry of Health will explore options for presenting the Programme of Work and budget using the MTEF Format
- The Ministry and Partners will continue with efforts to capture all sources of funds in the sector budget
- The Ministry of Health will continue to improve the quality of district planning and its continued alignment with national priorities.

## **FINANCING OF 2006 PRIORITIES**

The meeting noted that some key priority areas of the 2006 Programme of Work were fully funded in the budget in particular, the scaling up of the Community Based Health Planning and Services to an additional 80 functional zones in 2006 and the increase in the exemptions budget to 150 billion cedis for the year. It was also noted that the budget for routine Expanded Programme on Immunization activities was also secured for 2006. However, additional funding is needed to sustain achievements to date and accelerate the scaling up of implementation of other key programmes.

The meeting agreed that exemptions remain a key pro-poor strategy and expressed the need to ensure that it is protected even during the transition to the National Health Insurance Scheme. While commending the Ministry for the substantial increase in the exemptions budget for the year, the meeting agreed that the Ministry of Health will carry out a review to determine the backlog of exemptions refund to health facilities and to review and monitor the disbursement mechanisms to reflect the changing financing system under the health insurance scheme.

## **CONCLUSIONS**

- Ministry of Health will dialogue with Ministry of Finance and Economic Planning, and Development Partners to step up efforts to mobilize resources for the sector.

- Ministry of Health will estimate the backlog of exemptions refund and review the disbursement mechanisms of current exemptions arrangements in the light of the changing health financing environment. The review would estimate the future financial need to cover all health exemptions, and the results would be presented as early as possible to enable discussions at the next health summit. Partners commit to provide financial and technical support to the planning and implementation of the studies as required.

## **EARMARKED FUNDING**

Earmarked funding still remains an important source of funding to the health sector. In 2006 the sector projects about 630 billion Cedi from earmarked funds which constitute about 61 percent of the total donor inflows to the sector. A substantial proportion, constituting over 40 percent, of earmarked funds remain un-allocated in the 2006 budget.

## **CONCLUSION**

- Ministry of Health and Development Partners will strengthen efforts to ensure that earmarked funds are aligned with and support the National priorities and budget as expressed in the Common Management Arrangement II, the five year POW as well as the annual POWs.

## **NATIONAL HEALTH INSURANCE SCHEME**

The meeting discussed the implementation of the National Health Insurance Scheme. It was noted that the 10% coverage target set for this year has been achieved and most institutional arrangement for the implementation of the programme were in place. However, the meeting was concerned that poor people that are not indigents may not be covered under the NHIS. A concern was expressed that at the time of preparing the 2006 Programme of Work, the National Health Insurance budget had not been fully allocated in the health sector budget; hence hampering a complete overview of the sector budget. Different ways of incorporating the health insurance budget in the health sector budget were considered.

## **CONCLUSION**

- Ministry of Health will collaborate with MOFEP and the National Health Insurance Secretariat to explore further options for incorporating the National Health Insurance Fund in the annual POW budget.
- Ministry of Health will undertake a review of people's ability to pay the health insurance premium with a view to ensure that all poor and indigents are covered in the future.

## **CAPITAL INVESTMENT PLAN**

The 2006 capital investment plan prioritized ongoing infrastructure projects. Partners questioned whether the investment in establishing an accident and emergency centre in Komfo Anokye Teaching Hospital was a priority given the constrained resource envelope for 2006. It was, however, explained that this investment constitutes a cornerstone in the

government's effort to improve emergency services including care for victims of road traffic accidents, of which many are poor.

Partners raised concern over a possible cost overrun on item 4 (capital investments) in the 2003 audited accounts. Ministry of Health is still exploring the issue and will clarify the issue with Partners. It was also agreed to prioritize within the Capital Investment budget the completion of ongoing projects.

## **CONCLUSION**

- Ministry of Health will complete the POW 2006 Capital Investment Plan in line with agreements in previous aide memoires
- Ministry of Health will commission an in-depth review of the Five year capital investment plan in line with the health summit aide memoire of 29 April 2005
- MoH agreed to provide a clarification on the possible 400% overrun of the Item 4 budget for 2003.

## **FINANCIAL AUDITS**

The delay in presenting the 2004 audited accounts of the health sector generated some concern among partners. However the meeting was assured that this will be ready for distribution in January 2006.

## **NEXT STEPS**

Four issues were raised in connection with the next steps. These were (i) the focus of the 2005 Annual Review, (ii) the Development of the next Five Year Programme of Work (iii) follow up on previous aide memoires and (iv) the signing of future aide memoires.

The Ministry of Health will convene a meeting to review plans for the preparation of the next Five Year Programme of Work. At this meeting the ministry and partners will determine the scope and focus of the 2005 review and outline steps towards completion. Partners pledge their full support towards both activities.

Ministry of Health will continue the practice of presenting an update on conclusions of previous aide memoires ahead of Summits and quarterly Business Meetings.

It was also agreed that the health summit is an important opportunity to renew consensus on policy direction and priorities for the sector among stakeholders including partners contributing to the health fund and those not. Whilst the participation of all partners in the health sector dialogue has generally improved, the current practice in which only partners contributing to the health fund signed the aide memoires may not be conducive to obtaining optimal consensus and commitment to the Programme of Work. This is particularly so because of the need for coordination, harmonization and alignment of donor support in the current changing environment for health financing. The Ministry of Health and partners will therefore reflect on the coordination and dialogue opportunities in order to improve their effectiveness. Possible adjustments will be discussed during the next business meeting and decided at the next the health summit.

In conclusion partners meeting agreed to adopt the the 2006 Health Sector Programme of Work pending the inclusion of a finalised budget and capital investment plan in the agreed format.

## **SIGNATURES**

### **Government of Ghana:**

**Maj. Courage E. K Quashigah (Rtd)**

Hon. Minister of Health

Ministry of Health

Accra

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### **Partners contributing to the Health Account:**

**H. E. Filiberto Ceriani Sebregondi**

Head of Delegation

European Commission

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