

Multi-Donor Budgetary Support

What is it?

In 2003 Multi-Donor Budgetary Support (MDBS) was agreed upon to be the process for some Development Partners (DPs) to provide funds to the Ministry of Health (MoH). MDBS involves funds flowing to the Government of Ghana (GoG) which are then disbursed to the MoH via the Ministry of Finance (MoFEP)

Implications for the health sector

Moving to MDBS involves a change in financing arrangements through the use of GoG and MoFEP systems with the aim of decreasing transaction costs by consolidating the DPs review process for the sector.

How it operates

Funding is provided in 2 stages - base and performance tranches. Triggers are used to assess whether the GoG will receive the performance tranche; targets are used to decide whether outcomes are moving in the right direction. The 2004 - 2006 triggers and targets were:
Service Delivery - trigger:

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accelerate progress towards achieving Millennium Development Goals (MDGs) 4 and 5 by increasing utilisation of insecticide treated bednets (ITNs) by children under 5 to 30% nationally and reduce malaria case fatality (% of hospital admissions for malaria resulting in fatality) to 2.3.

Targets:

accelerate progress towards achieving MDGs 4 and 5 by increasing coverage of maternal deliveries by at least 3% in the three lowest performing regions and national coverage to 56%.

Continue rapid scaling up of anti-retroviral therapy (ART) provision for people with advanced HIV

Expand prevention interventions for most at risk and vulnerable groups.

Continue essential nutrition actions and priorities & cost interventions to be implemented in 2007.

Capacity Development - targets:

Improve Health Management Information Systems (HMIS) by gathering, analyzing and disseminating, on time, 2006 data with details by district. 2006 draft health data provided by end of March 2007 with data disaggregated by districts for 31 sector wide indicators.

Continue human resources reform by modelling the impact of personal emolument vote and human resource management in the health sector

Financing - trigger:

Absolute increase in spending on item 3 (service spending) of the health budget.

Targets:

Budget execution rate for item 3 improved.

Relative shares of 4 deprived regions in expenditure on items 2 & 3 increased

2005 backlog of exemptions vetted and paid without compromising 2006 allocations to exemptions.

Execution of budgets allocated for district level is improved

Triggers and targets are assessed every year within a 3 year time frame and are set in line with the Medium Term Expenditure Framework (MTEF). The process for setting them involves the MoH preparing documents with the health sector group and presenting them to the wider-MDBS group, which is made up of DP and GoG representatives to adopt.

Ministry of health performance

Trigger: An absolute increase in spending on item 3 (money spent on services) of the health budget in 2006 relative to 2005.

The table below shows a significant rise in MoH spending on item 3 from 390.5 bn. cedis in 2005 to 898.7 bn. cedis in 2006 - an increase of 130%. GoG and the DPs agree the MoH achieved this trigger

Spending on services (billions of cedis)					
	GoG	HIPC	NHIS	Health Fund	Total
2005	108.8	7	198.7	198.7	390.5
2006	237.7	31.1	389.7	240.3	898.7

Trigger : accelerate progress towards achieving MDGs 4 and 5 by increasing utilization of ITNs by children under 5 years to 30% nationally and malaria case fatality reduced to 2.3

The chart below shows ITN use among under-5s rose from 26% in 2005 to 35.6% in 2006, in excess of the 30% target. Furthermore malaria case fatality fell from 2.4 in 2005 to 2.1 in 2006. DPs and the GoG

