Joint Ministry of Health - Development Partners

AIDE MEMOIRE

Accra, November 2006

Joint Ministry of Health - Partners Summit Meeting
Miklin Hotel, Accra, 13th to 17th November 2006

Aide Memoire

PREAMBLE

The 2006 Health Summit was held from the 13th to 17th November 2006 in Accra. This provided the opportunity for the Ministry of Health and its agencies, Christian Health Association of Ghana (CHAG), Development Partners (DPs) and other key stakeholders to discuss the 2005 review report, the draft National Health Policy, the draft Five-Year Programme of Work (2007-2011) and the draft 2007 Annual Programme of Work. The opening ceremony was chaired by Prof. Stephen Adei, Rector of the Ghana Institute of Management and Public Administration and the keynote address was presented by the Hon. Minister of Health.

In his address the Hon. Minister raised concerns about the low levels of resources, the increasing difficulty in predicting the flow of funds from development partners and the need for more transparency in the management of earmarked funds. He was also concerned about the lack of support for the new strategic direction of the sector, "creating wealth through health".

Health partners congratulated government for the successful implementation of the integrated child health campaign and the implementation of the National Health Insurance Scheme (NHIS). Partners expressed hope that the NHIS will contribute to sustainable financing of health care particularly for the poor. They noted the stagnation of some key indicators and highlighted the need for an increased pro-poor orientation, and improvement in efficiency and management in the implementation of health programmes.

An overview of the 2005 annual review was presented, along with some of the in-depth reviews (exemptions; resource allocation; capital investment; and the Common Management Arrangements). The meeting agreed that some gains have been made in a number of areas, including EPI, ANC, HIV/AIDS and TB control. None the less, the review painted an overall picture of mixed performance of the health sector. A critical analysis of the review reports identified existing challenges in the area of institutional reforms (particularly in the definition of roles and responsibilities); human resource productivity, management and increasing staff costs; capital project management; unpredictable flow of funds; and the management of exemptions under the NHIS. The review recognised the changing environment in funding the health sector and called for a new deal under the Common Management Arrangements (CMA).

This aide memoir results from discussions and agreements arrived at during the business meeting.

2007 ANNUAL PROGRAMME OF WORK AND BUDGET

The meeting discussed the draft 2007 Programme of Work (POW) and its four themes, namely:

1. Healthy Lifestyles and Healthy Environment
2. Health, Reproduction and Nutrition Services
3. General Health Systems Strengthening
4. Governance and Financing.

Although there was general consensus on the overall direction of the POW, it was agreed that the final version should address the following priority issues, indicating key milestones:

- Clarification of the institutional issues related to the separation of Ghana Health Services (GHS) from the Ministry of Health (MOH)
- Strengthening of public financial management, including formulation of a sectoral Medium Term Expenditure Framework (MTEF); full participation in the Public Expenditure Tracking Survey (PETS) coordinated by the Ministry of Finance and Economic Planning (MOFEP); and recertification of Budget and Management Centres (BMCs)
- Coverage and financial sustainability of the National Health Insurance Scheme
- Implementation of the Human Resource Policy, which is to be finalised and distributed by the end of 2006
- Steps to improve the Health Management Information System (HMIS)
- Enhancing the predictability of funds and budget execution
- Increasing transparency and alignment in the planning and management of earmarked funds

The meeting also discussed the 2007 budget. The budget showed that MOH needs a total of 7.8 trillion cedis to implement its programmes. Yet, it has been able to mobilize a total resource envelop of 5.7 trillion cedis, leaving a funding gap of 2.1 trillion cedis.

The resource envelope is incomplete. It includes projected inflows from Government of Ghana, Internally Generated Funds, National Health Insurance, GAVI, UNICEF, UNFPA, The Netherlands, and loans from AfDB, OPEC, ORET, and BADEA. However, it excludes projected inflows from partners such as Danida, DFID, Global Fund, USAID, WHO and the World Bank, which had not reconfirmed their pledges at the time of preparing the budget. The estimated contribution from Japan in 2007 could also not be included in the budget because the proposed expenditures were not aligned to the Ministry's budget.

Overall, the 2007 budget provides a good balance between salaries and recurrent costs (47:53). The MOH explained that the following measures had been taken in order to improve the pro-poor orientation of the 2007 POW: (i) an increase in financing for public health priorities which typically disproportionally affect the poor, (ii) de-linking coverage of children under 18 in the NHIS from enrollment of their parents and (iii) auditing how exemptions are currently used. Development Partners welcomed these improvements in the pro-poor orientation of the 2007 POW, but expressed concern that

these measures may not be sufficient. It was agreed that additional analytical work would be undertaken to assess the extent to which the poor are not covered.

The main challenge of the 2007 budget is that it is not fully funded. Item 1 has a funding gap of 867.7 billion cedis. The MoH is in dialogue with the MoFEP to fill this gap. Development Partners are however worried that MoFEP may not be able to fully finance Item 1 due to other pressures on the GoG budget, and that funds would be transferred from Items 2 & 3 to finance Item 1. The risk is somewhat mitigated by the fact that only a minor proportion of Item 3 is directly financed by GoG (excluding NHIF), and that budget execution of Item 3 is a trigger under MDBS.

The funding gap for Items 2 and 3 is 325.2 billion cedis. All partners recognized the need to fill the funding gaps under Item 3, especially for commodities (vaccines, contraceptives, ITNs), HIV/AIDS, EPI/NID/SIA and operational costs of BMCs.

The funding gap for Item 4 is 907.6 billion cedis. Item 4 as it currently stands has little fiscal space for reallocation. The available fungible funds of 525.2 billion cedis from Government of Ghana, HIPC and National Health Insurance Fund have been allocated to (i) non discretionary expenditures i.e. counterpart funds for loans, (ii) ongoing projects for which there are international contracts such as the National Accident and Emergency Centre at the Komfo Anokye Teaching Hospital and the Ghana Postgraduate College of Physicians and Surgeons, and (iii) Construction of Offices of the National Health Insurance Council. Therefore the Item 4 budget lacks funds for ongoing projects and procurement of equipment and vehicles.

Development Partners had questions about the cost-effectiveness in terms of poverty orientation of this KATH project, but accept that this may not be changed as the KATH project has been decided by the Cabinet and work has already started. Partners would like to have discussions with government on alternative funding for this project. The rehabilitation of Tamale Teaching Hospital is however seen as a priority for ensuring more equitable distribution of hospital services and to help with resolution of the human resource situation in the country through training of health professionals.

In line with recommendations from previous Summits, inflows from the National Health Insurance Fund were included in this year's budget. Through NHIF, 1.4 trillion cedis have been secured to enrol into NHIS population groups covered by the exemption policy; namely elderly, indigents and children less than 18 years. This will go a long way towards making the government's long-standing policy on exemptions effective, and is highly appreciated by Development Partners.

Development Partners signalled the importance of the difference between indigents and the poor, and were concerned that some poor people will not be covered under the NHIS. This is because registering the exempt categories under NHIS will take time.

Development Partners have decided that_in order to provide incentives for effective budget execution of Items 2 & 3, disbursement into the Health Fund will be dependent on a cash flow plan, specifying expected quarterly disbursements from all sources of funds.

The meeting concluded that:

- The Ministry of Health and Development Partners agree to mobilize funds to fill the Item 4 gap with priority to provision of equipment and vehicles for service delivery and supervision at the district and sub-district level.
- The Ministry of Health with assistance from Development Partners will conduct studies to assess, quantify and characterise poor people falling out of the NHIS package as a way of refining its pro-poor strategies in the Five-Year POW
- In the interim, MoH will transfer funds from NHIF to finance the exempt categories under the present exemption arrangements until the National Health Insurance registration exercise is completed
- Development Partners that have so far not confirmed their pledges will endeavour to give indications by the end of November 2006 using the agreed format
- All partners will work together to fill the identified funding gaps under Item 3
- Following the release of quarterly financial statements, the MoH and its agencies, DPs and other relevant stakeholders such as MoFEP will hold a meeting to review and discuss the report as part of the effort to improve overall financial monitoring in the sector.

It was agreed that the Ministry of Health and Development Partners would meet on the 14th and 15th of December to discuss the draft POW 2007 and to incorporate comments from the Summit. The final budget should also reflect the above agreement and include a breakdown of allocations under Items 2 and 3 to the different levels i.e. Headquarters, Tertiary, Region, District & Sub-district, using the resource shift targets agreed under the current 5YPOW as well as the GPRSII targets as a guide. It is expected that the 2007 POW will be finalized and adopted by 31st December 2006.

FIVE YEAR PROGRAMME OF WORK

Development Partners appreciate the new direction detailed in the 5-Year Programme of Work on creating wealth through health. They endorse the higher priority to regenerative health and nutrition, disease prevention, reproductive health and health system strengthening. The inclusion of water and environmental sanitation is welcomed, recognizing that this will require strengthened inter-sectoral collaboration and partnerships. Scaling up High Impact, Rapid Delivery (HIRD) interventions to all regions will remain relevant and help ensure progress toward achievement of the health related Millennium Development Goals, in particular MDGs 4, 5 and 6, in the context of the "pro-poor" agenda of the MOH.

Partners recognize that there is still work to be done to finalize the 5-Year Programme of Work but agreed that the first priority is to finalize the 2007 POW. Finalization of the next 5-Year POW, and related Capital Investment Plan, as well as the Common Management Arrangements (CMAIII) will be undertaken during the first quarter of 2007.

This will be accomplished through a series of workshops and consultations between January and March 2007. The Ministry of Health and Partners will hold two separate workshops/retreats from 15 to 21 January and from 19 to 24 March to finalize the 5-Year POW, CIP and related to the CMAIII.

The Ministry of Health has requested technical assistance in a number of areas related to finalization of the 5-Year POW and CIP. In addition to analyses of poverty under the NHIS, this request includes costing of the POW and translation into a sectoral MTEF; results framework and milestone planning; and final editing. Development Partners acknowledge this request and agree to provide the necessary technical assistance during the first quarter of 2007.

THE COMMON MANAGEMENT ARRANGEMENTS

The CMA expires on December 31st 2006. Arrangements in the next CMA are likely to change because of: (i) the evolving institutional reforms and decentralisation between MOH and its agencies; ii) increasing need to involve a larger group of stakeholders such as CHAG; and (iii) changes in the way DPs do business following the signing of the Paris Declaration and development of the Ghana Joint Assistance Strategy. DP funds are increasingly being channelled through general or sectoral budget support.

It is therefore expected that CMA III which will accompany the POW 2007-2011 will incorporate these changes and contribute to reductions in transaction costs by promoting harmonisation of aid in the sector and ensure alignment with government processes. The CMA III should also promote rationalisation of summits and reviews as well as an increased use of government documentation. The new CMA should pursue a valuable and substantive policy dialogue through a reinforced Sector Wide Approach in which inter-sectoral collaboration for health promotion is also taken on board. Depending on the final text of the CMA III, it will be decided whether an MOU separate from the CMA III will be necessary.

The meeting therefore decided:

- To extend the validity of the current CMA II until this has been replaced by a new CMA
- To develop a new CMA along with the POW 2007-2011 by March 31st 2007

RECOMMENDATIONS FROM PREVIOUS HEALTH SUMMITS

In the weeks preceding this Health Summit the Ministry and Development Partners cleaned up the recommendations from previous summits and prepared a summary of outstanding recommendations. This summary was widely circulated before the health summit. The meeting adopted the updated list of previous aide memoir recommendations and decided to ensure their incorporation in the final version of the 2007 POW. The list is attached.

AUDIT REPORT

The meeting did not discuss the financial and procurement audit reports and therefore agreed to discuss them at the MOH/Partners monthly meeting January 2007.

CONCLUSION

In conclusion, all Health Partners appreciate the efforts that have gone into organizing the Health Summit and look forward to continued dialogue towards improvement of the health of all Ghanaians.

SIGNATURES

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