



## **PARALLEL SESSION 2.4**

**HEALTH FINANCING TRANSITIONS: THE ROLE OF DEVELOPMENT ASSISTANCE  
ON THE ROAD TO SUSTAINABILITY**

## | BACKGROUND

In the SDG era, many countries – particularly lower- and upper-middle income countries -- are experiencing transitions that impact health financing. Epidemiologic and demographic transitions demand more resources for NCDs and attention to UHC. As countries grow, external financing supporting key health programs often decline, prompting a greater need to transition these programs to domestic financing, service delivery and program management, and/or integrate them further into the health system. In parallel to these transitions, countries are also working to translate economic growth into increased public financing for the health sector to improve financial protection and reduce the impoverishing impact of out-of-pocket (OOP) expenditures. Transitions are not necessarily correlated with high and equitable coverage of essential health interventions, so countries not only have to manage transition, but also continue to improve program performance and sustain/scale service coverage at the same time.

The rapid expansion of development assistance for health (DAH) during the MDG era was critical to expanding coverage of life-saving interventions, however during the SDG era, DAH has plateaued. Given global political and economic trends, prospects for DAH growth are uncertain. While DAH continues to play a prominent role in health financing in low-income countries, on average it comprises a relatively small percentage of total health spending when lower and middle-income countries are combined. At the same time, however, we are seeing foreign direct investment (FDI) increase into LMICs. Given these dynamics there is a need to place both resource mobilization (public and private) and overall health system strengthening at the center of the efforts to move towards Universal Health Coverage (UHC). Within this context, important questions arise about how DAH can be most effectively used to mobilize and complement additional public and private resources for health and improve the efficiency of health spending. It also raises questions about how donors can responsibly decrease external financing or transition in a manner that ensures the health outcomes they were supporting can be supported, sustained and scaled by domestic financing and health systems.

## | OBJECTIVES

The session will provide an overview of health financing trends and the potential implications of donor transitions, both in terms of programmatic impact and sustained health gains. It will discuss the state of countries preparedness to successfully manage health financing transitions, while not only sustaining but also improving key UHC outcomes (and the key enabling factors that make it possible to do so). It will address the key investments and reforms that countries can make to build health financing and overall health system capacity, address inefficiencies and put their systems on a path that will enable them to better sustain UHC outcomes. It will address transition issues within the context of domestic health financing reform efforts (e.g. introduction of national health insurance), taking advantage of increasing private investment in LMICs through innovative or blended financing mechanisms (e.g. social impact bonds). It will also discuss using transition as an opportunity to address key areas of inefficiency resulting from duplicative functions (e.g. information system or supply chain consolidation).

Speaker



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Susan Sparkes (ScD) is a health financing technical officer with the World Health Organization based in Geneva. She is a health economist with 15 years of experience in fiscal policy, health financing and health systems reform around the world. In recent years, her work has focused on issues related to political economy of reform and the health system efficiency, with a particular focus on Sri Lanka, Ghana and South Africa. She has worked on fiscal space and health financing policy for the World Bank, as well as on health system issues for the Global Fund, among other organizations. She is widely published on health financing, health systems and universal health coverage. She has a Doctorate in health economics from Harvard University, a Master's in economics from Tufts University, and a Bachelor's in international political economy from Georgetown University.