



## **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).



Panelist

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Irma Khonelidze, MD, MPA serves as a Deputy Director General of the National Centre for Disease Control and Public Health (NCDC) in Georgia. Out of the four strategic priorities of NCDC she is responsible for two: reduction of mortality, morbidity and disability related to non-communicable diseases and assessment of environmental and behavioral risk factors. From, 2014 she leads implementation of the Global Fund TB and HIV Programs in Georgia. She has more than 18 years of experience in different areas of the health care system working in the governmental, as well as non-governmental sectors, with various international agencies. She was involved in the development of National Health Strategies, including for TB and HIV; development and institutionalization of System of Health Accounts, Health System Performance Assessment Report. Irma Khonelidze graduated from the Tbilisi State Medical University. She earned her Master of Public Administration degree at Maxwell School of Citizenship and Public Affairs, Syracuse University, USA.