



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

Raminta Stuikyte

Activist and consultant

European AIDS Treatment Group
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Raminta Stuikyte is a social justice activist. For the last 15 years, she has been working in promoting transformation of policies and strengthening civil society in the field of HIV, drug policy and access to medicines.

She advises Prof Michel Kazatchkine, Special Advisor to the Joint UN Programme on HIV/AIDS in Eastern Europe and Central Asia, and works with Open Society Foundations. She has served as a founding director of Eurasian Harm Reduction Network between 2001 and 2009, also in such coordination and advisory positions as a Chair of EU Civil Society Forum on Drugs and UNAIDS Reference Group on HIV and Human Rights. She has supported strategic planning and other work of a number of regional HIV and drug policy networks and other initiatives across Europe and globally, ranging from Eurasian Network of People Who Use Drugs (ENPUD), Sex Workers' Rights Advocacy Network (SWAN), European Rights Reporter Foundation, Eurasian Coalition on Male Health, Lithuanian mental health coalition, Robert Carr civil society Network Fund and others. She is a long-time member of European AIDS Treatment Group.

In the last years, she started her consultancy with Open Society Foundations to address the so-called challenge of 'Middle-Income Countries' which are increasingly left by donors without sufficient preparedness, time and means for securing human rights programs for vulnerable groups from country-funded and owned systems. In 2019, she helped UNDP, UNAIDS, and the Global Fund to conduct a second global consultation on public contracting and financing of civil society services in national responses to HIV, TB, and malaria.