Civil Society Forum on the High Level Taskforce on Innovative International Financing for Health Systems

London, 5 March 2009

Representatives of the High Level Taskforce on Innovative International Financing for Health Systems held a first consultation meeting with civil society actors on 5 March 2009 in London. Set up in September 2008, in response to the call by world leaders at the UN High Level Event in New York, for an additional US$30 billion to save 10 million lives – 3 million mothers and 7 million children – the Taskforce brings together a small number of leading figures in the international community from both the North and the South selected on the basis of the perspectives they can each offer on innovative financing, health systems or political feasibility. These include, among others, Prime Minister Gordon Brown (*United Kingdom*) (co-chair) Robert Zoellick (*President of the World Bank*) (co-chair) President Ellen Johnson-Sirleaf (*Liberia*) and Graça Machel *(President and Founder, Foundation for Community Development, Mozambique)*. Its objective is to fill national financing gaps to reach the health MDGs through mobilizing additional resources; increasing the financial efficiency of health financing; and enhancing the effective use of funds.

The 5 March event brought together approximately 50 civil society actors representing diverse constituencies from the North and South including NGOs, AIDS activists, health worker representatives, and research and academic institutions.

The objectives of this first consultation were to address the following questions:

- What is the nature of the challenges and what should be the priorities of the Taskforce?
- What are the potential solutions – new and existing in innovate financing for health?
- How can the Taskforce and the donor community make progress as quickly as possible?
- How can the Taskforce continue to engage with civil society effectively?

To reach these objectives, the format of the consultation consisted of a of plenary sessions designed to brief all participants on the Taskforce itself and current work of the two working groups, followed by

three breakout sessions to allow for focused discussion on key issues such as financing gaps and constraints to scaling-up, expanding existing financing mechanisms and aid effectiveness, and innovative and new sources of funds.

Plenary Sessions

In the plenary sessions, participants were briefed on the background, objectives, and working methods of the Taskforce. On the timeline of work for the Taskforce, participants were informed that following the second meeting of the High Level Taskforce in London on 13 March, the Taskforce is set to submit recommendations to the July G8 Summit in La Maddalena, and then produce its final report by September 2009 in time for the UN General Assembly..

The meeting also heard presentations of the Taskforce's working group 1 - Constraints to scaling up and costs and working group 2 - Raising and Channeling Funds. Working group 1 will be producing a report with the purpose of clarifying the health system constraints and costs in developing countries. Working Group 2 will analyse the range of existing innovative financing instruments to respond to the health systems constraints identified in Working Group 1.

Breakout Sessions

A brief summary of key points and proposals raised from the breakout session are noted on the following pages. They by no means reflect the consensus view of all participants but rather a compilation of the different proposals made.

Breakout Session 1: Filling national financing gaps for health and constraints to scaling up support for health systems

The group acknowledged that since the adoption of the Millennium Declaration, total development assistance for health has more than doubled. However, funding still falls short of levels needed to achieve the health-related MDG targets and has especially overlooked the need to support the health systems platform. The group also highlighted the complexities of the global aid architecture for health and emphasised the need to improve and simplify the existing system, rather than to create new funds.

The group acknowledged that the focus has for too long been on specific health MDGs. This has created distortions and while it is important to consider specific issues, the group emphasised the need to look at the health MDGs within an integrated health services delivery system.

Proposals

The group called for the Taskforce to

- Recommend universal free access for mothers and children to quality health care.
  Costs are a deterrent to the use of health care. Free access to health care for mothers and children is an important first step towards universal access to free health care.
- Limit the extent to which fiscal ceilings prevent the use of increased resources for health.
- Reduce amount of ODA spent on technical cooperation.
- Ensure greater parliamentary consultation and buy-in in order to mobilise domestic resources and foster efficient management of external resources.
- Tackle the push and pull factors regarding the migration of health workers and the challenge of holding on to health workers.
- Consider the constraint of poor infrastructure in rural areas to deliver health services.

Breakout Session 2: Expansion of existing financing mechanisms and increasing effectiveness of health financing

The group acknowledge that a range of existing financing mechanisms which can respond to health systems constraints already exist, and that in tandem with expanding these mechanisms, efforts are needed to ensure existing and new resources are deployed efficiently.

Key issues considered included the importance of broadening the remit of the Global Fund/GAVI Alliance, effective civil society engagement, increased transparency, absorption capacity, and the role results based financing.

Proposals

The group called on the Taskforce to

- Provide high-level political support to deliver on existing ODA commitments.
- Promote reinforcing public service delivery of health care with civil society engagement (in planning, implementation and accountability).
- Promote greater transparency in aid - donors and governments to ensure specific transparency mechanisms.
- Explore issues around capital flight and capital inflows.
- To be cautious in dismissing project based aid.
- Promote reduced fragmentation of aid architecture for global health - aim for a pooling of resources, increasing predictability.
- Explicitly question macroeconomic constraint policies that result in reduced investments in health.

Breakout Session 3: Innovative financing mechanisms and new sources of funds

The group acknowledged that early successes and lessons learned from existing innovative financing mechanisms need to be drawn upon. In addition, efforts are needed to ensure new resources are there to ensure levels needed to achieve the MDG targets.

Key issues considered in identifying financing mechanisms included

- The impact of the current financial crisis
- Ownership and accountability
- The risk of fragmentation of efforts and initiatives
- The management and governance of resources

Proposals

The group failed to reach agreement on discussions aimed at identifying the most suitable mechanism for innovative financing for health. Therefore it was proposed that:

- The Taskforce keep all options for innovative financing on the table. These include UNITAID, IFFIm, AMC, RED, Debt for Health, Carbon tax, and organized philanthropy.
- Each option should be judged by its ability to:
    - Raise sufficient funds
    - Generate domestic financing
    - Provide predictable financing
    - Provide additional funding
    - Guarantee verifiability of funding
    - Be easily implemented
- While full consensus was not reached, two options were particularly favoured:
    - **Carbon tax**

      It was argued by some that the change in the US Government now made the establishment of a global carbon tax more feasible. In addition, funds can be collected locally and thus ensure more accountability to beneficiary countries and be less subject to donor policy advice.
    - **Currency Transaction Tax**

      It was argued by some that this was the only real innovative mechanism of financing. In addition, it is a mechanism that can generate large amounts of money - estimated between 33 and 60 billion USD per annum.

The group also called for

- The Taskforce to identify very clearly what constraints the funds from the options identified will address.

- The Taskforce to address the problems of capital flight, tax havens as a means of ensuring innovative financing is not cancelled out by excessive leaks in financing.

Next steps

Several participants described the first civil society consultation as having been a valuable forum to gather frank views on the work of the Taskforce. By way of next steps the Taskforce representatives proposed the following:

- The Taskforce Secretariat offered to submit a civil society statement to the Taskforce if consensus was reached on the text from all participants to this consultation.
- A second global consultation with civil society to be organized in May 2009, allowing time for input to the Taskforce Report, prior to its submission to the G8 in July. The venue would preferably be in the South to ensure greater Southern CSO participation. An event at the World Health Assembly may also be possible. This could be followed by specific country consultations as thought appropriate by different civil society groups.
- The website http://www.internationalhealthpartnership.net/taskforce.html with information on the work of the Taskforce will be further developed to include a page dedicated to gathering civil society comments on the Taskforce. An email address will also be provided on the site for those who have difficulty accessing the site.
- The Taskforce Secretariat would welcome the constitution of a CSOs group to work with more regularly on innovative health financing.