

Briefing Note:

Achieving MDGs 4 & 5 – The Financial Picture

Accurate and timely tracking of financial flows is essential for accountability, ensuring public awareness of actual disbursements rather than just expressed commitments. Financial tracking can help policymakers reach informed decisions, set priorities, efficiently allocate resources, and ensure sustainable program funding.

There are three main sources of funding for maternal, newborn, and child health (MNCH) in the Countdown countries: government expenditures, private spending (mainly out-of-pocket payments by the users of health services), and external expenditures (primarily official development assistance, or ODA). This briefing note summarizes current data for all three funding sources.*

Overall per capita health spending has increased, but is still insufficient in many countries

Total per capita health spending in the Countdown countries with available data increased from a median of US\$80 in 2007 to \$104 in 2010 (Figure 1), compared with a median in the developed OECD countries of \$3,166 per capita (based on purchasing power parity). In 11 Countdown countries, total health expenditure in 2010 was less than \$50 per capita.

Governments need to invest more in their people's health

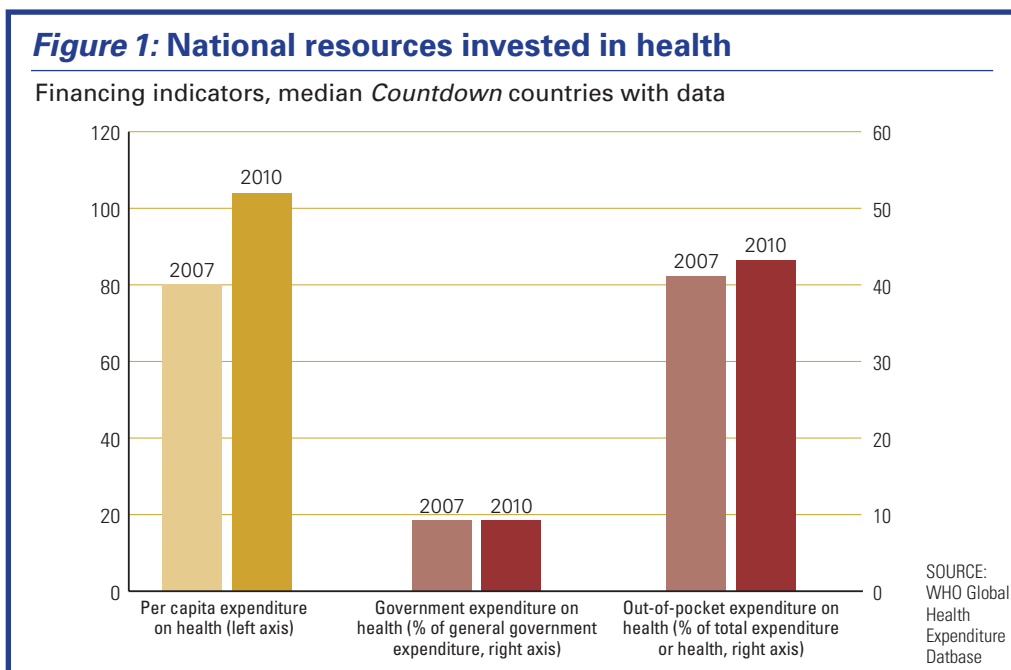
Seven Countdown countries allocated 15% or more of total government expenditure to health in 2010, while 43 allocated 10% or less and 14 allocated 5% or less. There was no overall improvement between 2007 and 2010, and many countries even showed decreases.

High out-of-pocket health costs expose families to financial catastrophe

Health-related impoverishment may increase when over 15-20% of a country's total health care spending is paid out of pocket: the 20% threshold is exceeded in five-sixths of Countdown countries with available data. In 28 Countdown countries, out-of-pocket spending accounts for at least half of all health care costs. Overall, the portion of total health costs covered by out-of-pocket payments increased in the Countdown countries between 2007 and 2010.

Countdown to 2015 tracks coverage levels for health interventions proven to reduce maternal, newborn and child mortality, together with data on maternal and child survival, equity of coverage, health financing, policy and health system factors, and other determinants of coverage. It calls on governments and development partners to be accountable, identifies knowledge gaps, and proposes new actions to reach Millennium Development Goals 4 and 5, to reduce child mortality and improve maternal health. Countdown's data and analysis cover the 75 countries that account for over 95% of global maternal and child deaths.

Countdown to 2015 country profiles enable countries to track progress, identify key areas where more progress is needed, and compare data between countries and over time. They are a valuable accountability tool for countries' efforts to achieve Millennium Development Goals 4 and 5 by the 2015 deadline.



*Countdown's most recent analysis of ODA for MNCH is available in Hsu et al, *Lancet* 2012; 380: 1157-58. This analysis does not currently include funding for reproductive health services. Research is currently underway to track and analyze ODA for reproductive health, with publication expected in late 2012, which will enable Countdown to provide ongoing, comprehensive tracking of ODA for the full reproductive, maternal, newborn and child health (RMNCH) continuum.

Donor support for MNCH was growing steadily, but it flat-lined in 2010

Worldwide ODA for MNCH totaled US\$6.48 billion in 2010, a real increase of more than 2.5 times since 2003. However, the rate of increase has been slowing since 2008, and the 0.5% decline from 2009 to 2010 was the first since Countdown began tracking ODA for MNCH (Figure 2).

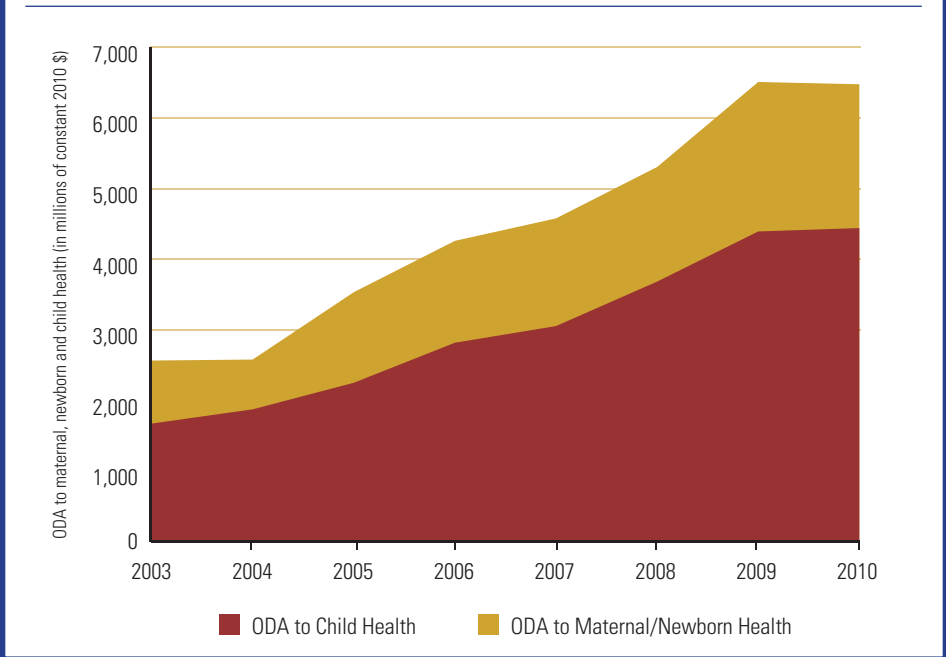
Donors should better target aid to areas of need, and ensure its efficiency and effectiveness

- Improved targeting of aid to the highest-burden countries is needed: Figure 3 shows, for example, that per capita ODA for maternal and newborn health tends to bear little relationship with a country's level of maternal mortality. Donors should also emphasize health budget support over stand-alone projects, which consistently account for 90% of all ODA for MNCH, and should seek to smooth year-to-year volatility in aid disbursements.

- While large countries typically receive the most aid in total, they often receive less on a per capita basis. In 2010, Nigeria received US\$6.00 in ODA for child health per child and \$9.60 for maternal and newborn health per live birth, compared with \$21.80 per child and \$52.00 per live birth for Ghana, despite higher maternal and child mortality rates. Of course, domestic resources and other factors must also be taken into account in aid allocation decisions.

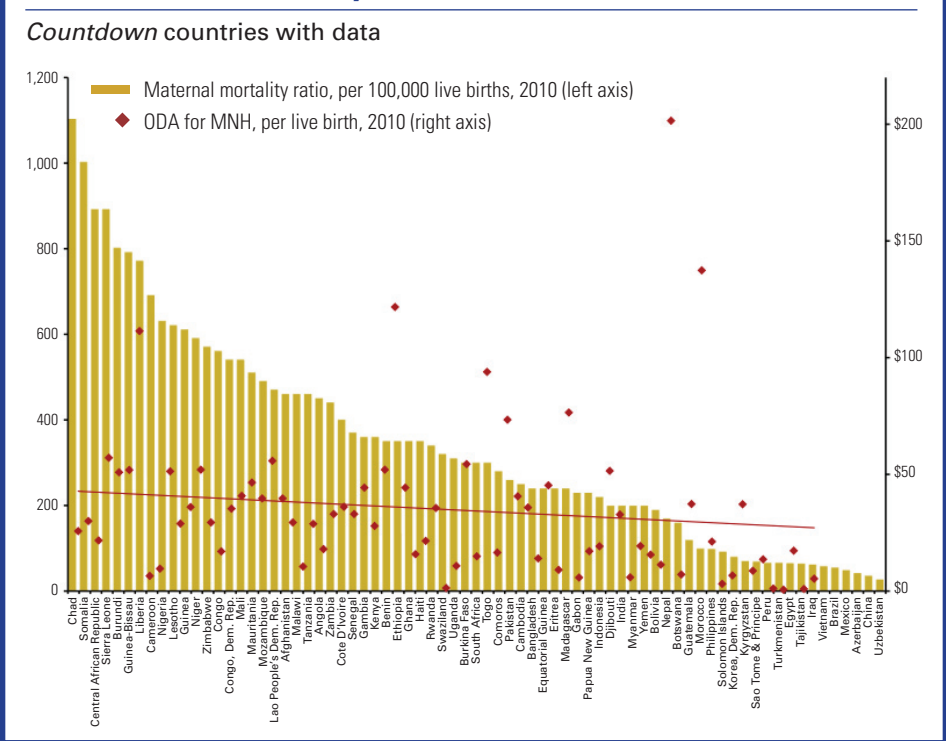
As 2015 approaches, additional investments are needed to accelerate momentum toward achievement of MDGs 4 and 5. It is urgently important that all stakeholders—including donors, governments, civil society, and the private sector—invest in evidence-based solutions, ensure that health resources are utilized effectively and efficiently, and keep their promises to the women and children whose lives depend on it. Countdown to 2015 will continue doing its part to ensure transparency, foster accountability, and support progressive action.

Figure 2: Worldwide ODA to maternal, newborn and child health, 2003-10



SOURCE: Hsu et al. Countdown to 2015: changes in official development assistance to maternal, newborn, and child health in 2009-10, and assessment of progress since 2003. *Lancet* 2012; 380: 1157-58.

Figure 3: ODA for maternal/newborn health per live birth vs. maternal mortality ratio



SOURCE: Hsu et al. Countdown to 2015: changes in official development assistance to maternal, newborn, and child health in 2009-10, and assessment of progress since 2003. *Lancet* 2012; 380: 1157-58.



For more information and detailed references, and for more Countdown reports and articles, please visit www.countdown2015mnch.org

