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Beating the DRUM for UHC

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- Good morning, it is my pleasure to introduce you to DRUM for UHC.
- DRUM is the brainchild of many in this room.
- However, to make DRUM work, it will take many more contributors working closely together, with country-level leadership.

WHAT IS DRUM FOR UHC?


DR U M

**DOMESTIC
RESOURCES**

USE

MOBILIZATION

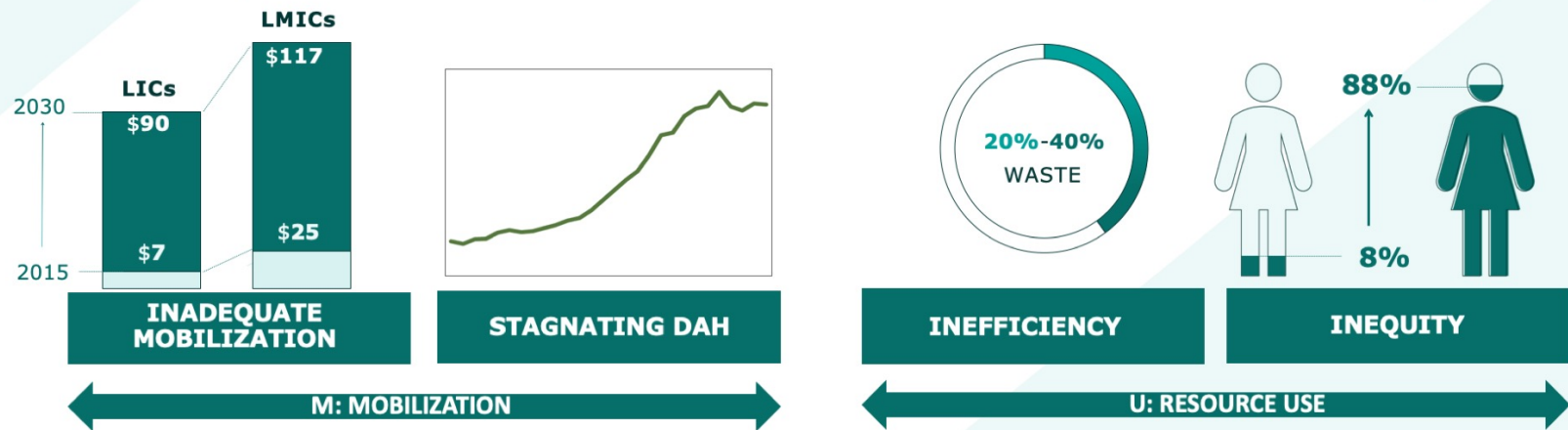
- So what is DRUM? The objective of DRUM is to accelerate progress towards UHC targets in lower-income countries.
- What does it stand for? Three points are important to highlight. First DRUM is about domestic resources, that is, funds raised locally. Second, the U stands for both the efficiency of spending and the equity of spending. Finally, the focus of DRUM is on government funds and here is why... many people, and in particular the poor, cannot afford to pay out of pocket for the health services they need. Therefore, funds must be prepaid and pooled, and contributions compulsory. In practice, this means that the core funding for UHC must come from either general taxes or social health insurance contributions. Let me now turn to why DRUM is urgently needed now.



**The UHC goal
will slip out of reach unless
we address the challenge of
health financing.**

- It was 40 years ago that the Alma Ata declaration called for primary health care for all. Yet, in 2015, half of the world's population still lacked coverage with essential health services. Now we only have 12 years left to catch up on closing service coverage gaps and, in addition, ensure financial protection.
- To close the gap between our ambition and the reality of billions of people, we must rapidly improve how UHC is financed.

WHAT IS HOLDING BACK PROGRESS?

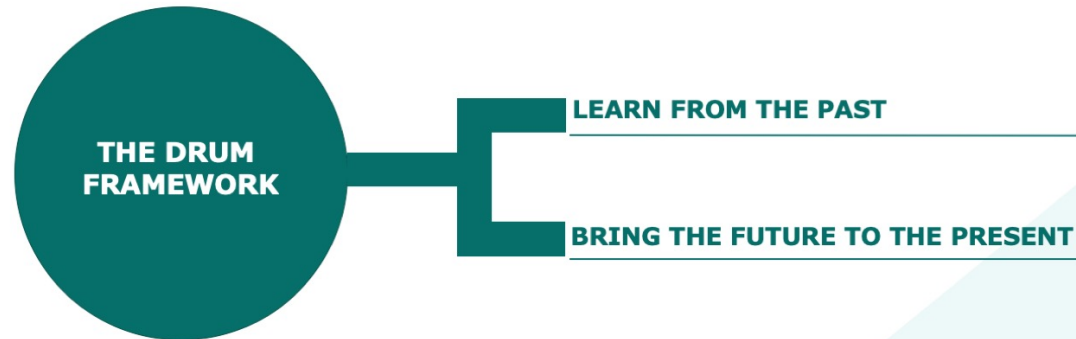


- So what are the financing challenges? There are four critical factors that converge in many places.
- First, on mobilization, government funding for health is not enough. For example, evidence suggests that in low-income countries, governments need to spend roughly \$90 per capita on health to ensure access to essential services. But currently they only spend \$7. The gap is equally apparent in lower middle-income countries.
- Second, most lower-income countries also rely on external funding to fill critical gaps, but levels of DAH are now stagnating. Moreover, aid can have a much greater impact on DRUM. We see renewed momentum on this agenda, spearheaded by the GFF and other global health funds. Yet, there is still a long way to go to meet the principles set forth in the Paris declaration on aid effectiveness. And

beyond Paris, there is the big question of substitution, that is, how to structure external financing so that it does not compromise domestic efforts.

- Turning now to the “U” of DRUM, the situation is less clear... we often lack good data.
- Yet we do know that all countries struggle with efficiency. A landmark study from the WHO estimated that on average 20-40% of health resources are wasted.
- Finally, health spending is in many countries also highly inequitable. To illustrate, in one African country, only 8% of women in the lowest income quintile benefitted from a skilled birth attendant, compared to 88% of women in the highest quintile. There are many reasons behind these large differences, among them, that there is very little government spending on frontline services.
- What is the way forward?

THE DRUM FRAMEWORK



- Here, DRUM offers some ideas.
- The DRUM framework has two elements: learning from the past and bringing the future to the present.
- Let's first look at some of the suggestions of how to better learn from the past.

THE DRUM FRAMEWORK

LEARNING FROM THE PAST

- What are the key issues amenable to change?
- What are the most promising solutions?
- What are the barriers?
- What are the practical options to move forward?

COMMON THEMES

HEALTH FINANCING STEWARDSHIP

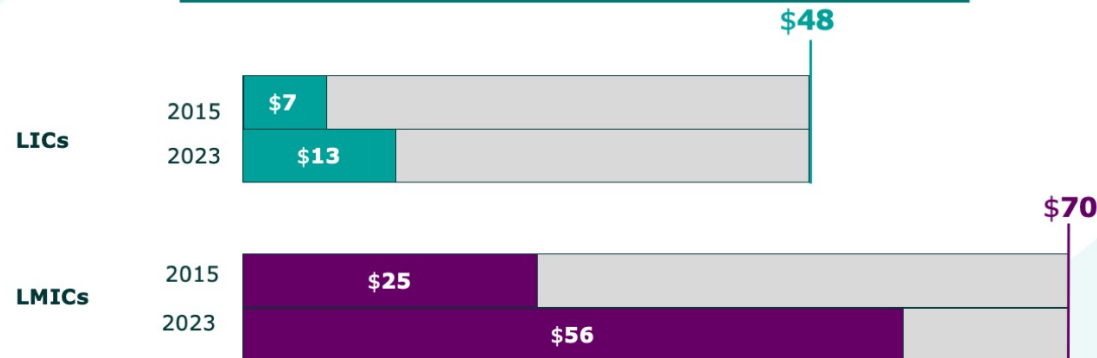
- Joint leadership
- Stronger health financing institutions and capacity
- Accountability

- The starting point is that some lower-income countries have made rapid progress on DRUM. This is good, encouraging news. But these countries remain the exceptions. The challenge is to make their successes the rule.
- To do so, we suggest that countries consider four critical questions. These questions may sound familiar, but we believe that there is value in answering them systematically.
 - First, what are the key financing issues, and among them which seem amenable to change?
 - Second, what are the most promising policies to address them?
 - Third, what are the barriers to implementing these policies in the local context?
 - Finally, what are the practical solutions to move forward?

- In the background report, we made an initial attempt to answer these questions for the core elements of DRUM.
- When we zoomed in on the barriers and practical solutions, a few common themes emerged. These all point to an urgent need to strengthen health financing stewardship. These themes include:
 - First, strengthen joint leadership of ministries of health and finance, governments and civil society, and between countries and partners.
 - Second, strengthen health financing institutions and capacity. These are the rules and practices that govern health financing and the capacities to enforce and implement them.
 - Third, strengthen accountability. There are many entry points to strengthen accountability, data sharing is one example. The goal is that financing decisions are responsive to the greatest needs of people.
- But, even if we are successful in making the exceptional success stories the rule, it is unlikely to be good enough. Let me illustrate this, expanding on the earlier example of domestic resource mobilization.

THE DRUM FRAMEWORK

MORE IS NEEDED



- We did a simulation to understand how far learning from the past can take us by 2023 – half way into the SDG era. First, we used IMF projections to estimate the size of the economies in 2023. We then adjusted core fiscal indicators in line with the fastest improvements that have been reported from the best performing countries. The good news is that under these optimistic assumptions, government spending in lower-income countries could double. The bad news, however, is that spending will still fall short of where it needs to be by 2023 in the majority of countries. And, these countries are home to over 3 billion people.
- This brings me to the second dimension of the DRUM framework, which is about how to rapidly develop new solutions, or bring the future to the present.

THE DRUM FRAMEWORK

BRING THE FUTURE TO THE PRESENT

- Which health financing problems have the greatest potential for change?
- Which innovations are most promising?
- How can innovations be adapted and tested?
- How can successful pilots be taken to scale?

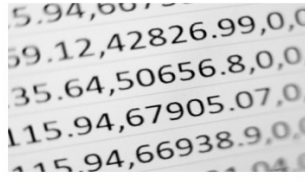


- Like learning from the past, we believe that there is value in answering a set of questions systematically. At first, these questions look like those raised for “learning from the past”. But we think there are two major differences in the way to answer them. Let me use one of the most promising, new approaches as an example – cashless payments.
- As we heard this morning, programs using mobile based cashless payment systems are emerging in the health sector. These mobile based cashless payment systems were in fact developed in the telecommunication sector to facilitate payments for airtime. This is notable, because it will be critical to look at other sectors for opportunities to innovate.

- Also notable is that the roll-out of mobile based cashless systems is currently facing roadblocks as they are being adopted outside of public financing systems and lacking adequate regulation. The important lesson here is that public-private partnerships are needed to bring private-sector led innovation to scale.
- On the upside, emerging innovations have the potential to fundamentally transform the way health financing systems operate. For example, health programs using mobile based cashless payments were originally developed to expand access to financial protection, but they have the potential to increase transparency and accountability, reduce fraud and corruption, and generate important data for policymaking.

WHAT WILL IT TAKE?

STRENGTHEN SOCIAL & POLITICAL DEMANDS



- Improved accountability

JUMP-START PROGRESS WITH EFFICIENCY GAINS



- Win-win solutions

TAP PRIVATE SECTOR INNOVATIONS



- Public Private Partnerships

TRANSFORM HEALTH- PARTNERSHIPS



- Joint financing reviews

- So what will it take to learn from the past and bring the future to the present? As a starting point to answer this question, the co-hosts have identified four promising areas within the DRUM framework.
- First, there is a need to build stronger social and political demand. Better data can empower people and promote accountability. We will certainly hear more today about the recently launched World Bank Human Capital Index as a tool to track progress in health and education.
- Second, progress can be jumpstarted with efficiency gains. These gains can build trust with investors, that is, Ministries of Finance and development partners. Countries can focus on win-win solutions that improve both efficiency and equity. These include, for example, the shift of resources into frontline services.

- Third, private sector innovations should be utilized to tackle sticky issues. As discussed before, Public Private Partnerships will be critical to scale up early successes.
- Finally, health partnerships must be transformed. Building on the idea of strong collective leadership, joint financing reviews between ministries of health and finance, alongside development partners, will be critical to chart a sustainable way forward.
- So this is DRUM ... a proposal for discussion. Its objective? To make sure that the goal of UHC stays within reach.



- Some may say it is elusive, but we have no choice but to act.