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EXTERNAL FINANCING OF HEALTH SERVICES

Comment on the 'Guiding Principles' proposed by the NGO-group on Primary Health Care.

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1. Introduction

The theme of the 1985 WHO General Assembly was the collaboration between governmental and non-governmental services. "World Health", the WHO Magazine published as one of the preparatory documents, a paper of the 'NGO group on PHC' (World Health, March 1985: 8-10). The main aim of that paper was to define some guiding principles relating to Input of NGO's into PHC programmes.

The edited text of the guiding principles (last column p. 10 of the article) is a condensed version of the text approved by the NGO group. The original version contains more explicitely all the elements on which all the group members agreed. Part 3 of this article contains the original version and a comment which might not be accepted by all the members of the NGO-group on PHC. We consider it however relevant for people who intend to organise health services as an integrated system in harmony with the socio-economic development.

For better understanding of the discussion, the guiding principles are preceeded by the text on the problem areas (World Health, March 1985: 9-10)

2. Problem areas.

"In many countries, tax receipts cover less than half of the national expenditure for health care. It is unlikely that the public sector will raise significantly more funds in the coming years. Moreover, foreign currency to purchase even the most essential products for these activities is often scarce, and external aid through loans has in many countries further reduced the availability of foreign currency.

Governments as well as NGOs have tended to use their resources for financing sophisticated buildings and equipment. Such investments are often seen as more tangible proof of progress and therefore more easily conducive to fund-raising. The earmarking of financial resources of NGO's has further contributed to this tendency. Yet this policy results in an excessively costly health care service by absorbing considerable resources for running costs and withdrawing financial and human resources from primary health care.

In some countries with limited trained human resources and a lack of a structured career pattern, some NGO's have attracted personnel by providing supplementary benefits. This has created an imbalance in the manpower distribution in health care

services. In other cases NGO projects are initiated and managed by outside personnel; when the time for a handover to national qualified personnel has come, it is realised that not enough provision has been made for their training in management and fund-raising.

In the past, projects have been planned without sufficient consultation of and participation by the community, thus violating one of the principles of PHC and weakening the potential for problem-solving in the community itself. These projects have not been maintained by the community once outside funding and personnel are withdrawn.

The priorities of the country or of the local community have not always been considered. This results in the provision of special services to particular groups, instead of building a truly accessible health care team able to respond to the health care needs of the community as a whole. In some instances, the direct financing of community health workers has fostered the development of parallel health services outside the government health care system. Apart from the duplication of services, there may also be a breakdown in the referral system , the basis for a well-functioning PHC programme. The introduction of high technology sometimes hampers the community's capability for problem-solving and thus reduces its self-reliance.

There may be little or no cooperation between NGOs working in the same country, and little coordination with governmental organizations. As a result NGO services tend to overlap or even be in competition with other services. This in turn leads to poor utilisation of resources.

Increasingly, there is, among NGOs committed to PHC, a strong desire to coordinate their efforts with other NGOs and with the government. In those countries where there already exists a coordinating agency, there is more opportunity for dialogue between government and NGOs, leading to a more unified national health care system.

Evaluation and research have too often been neglected in first-level health programmes. So the results - whether positive or negative - have not been available to improve existing programmes or to be considered when new projects are planned."

3. Guiding Principles relating to input of NGO's into PHC programmes.

3.1. Principle 1

Approved text: "A country's health care strategy should be consistent with its socio-economic development plans. NGOs, when planning PHC programme with the community, must likewise take into account the socio-economic development plans for the area and the cultural characteristics as well as the existing health care facilities, so as to provide for coordination of services as

well as allowing for expansion.

If development is to be a harmonious process, NGO supported or organised PHC programmes must include the following provisions:

- the initial external allocation of resources must be in line with the country's potential for financing the continuation of such programmes, including the requirements for their maintenance;

- equipment and supplies must be appropriate to the situation. Participation of the local community is essential in the initial selection of equipment and supplies, in the plans for the replacement of spare parts, the maintenance by skilled personnel and regular replenishment.

Comment

If NGO interventions should be consistent with the socio-economic development of the country, they can only be considered if there is a reasonable chance that the (local or regional) community concerned will have the means to take over and maintain the activities and if these activities are culturally acceptable. Moreover, for that community, the perceived benefits should outweigh the efforts. It is also obvious that the participation (or at least the thorough consultation) of the population (or at least its representatives) concerns the planning, implementation, evaluation and readjustment as well of projects of environmental sanitation (e.g. water supply) as of projects of stregthening of first line health services.

Participation makes it more probable that the choice of health actions will be weighed against the choice of action in other development sectors; that the choosen technology will be consistent with the local resources and skills; that local valid initiatives will not be suppressed by external interventions.

3.2. Principle 2

Approved text:

NGO supported and organised health services must be an integral part of the total health care system of a country.

- care must be taken that NGO supported or organised health services at the referral level do not withdraw manpower from first line health services;

- the working and living conditions of trained health personnel performing PHC functions should be sufficiently attractive so as to enable them to do their work effectively;

- disease specific services should be integrated into primary health care programme rather than function in isolation

to avoid overlapping and weakening of PHC rather than strengthening these programmes;

- a proportion of the resources made available should be set aside for evaluation and research related to the programme.

Comment

To be correctly implemented, Primary Health Care requires a health services component with the characteristics of a coherent, integrated, well balanced system. If NGOs want to enhance PHC their contribution to the health services component should favour such systems.

Health services are most adequate for the implementation of PHC if the first level and the higher levels are in good balance.

The first level (local health facility) should be easily accessible and deliver services of good quality. It should be the normal entrance gate of the system; the place where the health problems of a defined population are dealt with; the place where a dynamic interface is created between the rationality of the health service and the rationality of the target population.

One or more higher levels should as much as possible limit their activities, as far as delivery of care is concerned, to those problems which cannot be solved at the first level.

This principle warns against direct financing of village health workers, without bothering about their link with the local health service, because it might stimulate the development of a parallel system of so-called PHC, without any link neither with the official health service, nor with the traditional system.

This principle also warns against an ONG-input favoring either the exagerate development of services dealing with one single or a few "selective"health problems, or the unbalanced over-development of higher levels of the health care delivery.

As a logic consequence of this principle, qualified manpower should facilitate the adequate functioning of the real first line health service. This means the development of its methodological support (maintain the quality of the first line care by continuous training of its manpower; by adequate management of the resources, by the development and utilisation of an adapted "Health Services Management Information System") and development of its logistic support (rationalised intake and distribution of the required variety of adapted products and equipment).

Some members of the NGO-group for PHC were not ready to accept a statement formulated in the preparatory document. We think however that it is unavoidable if manpower qualified for these functions of support, is scarce. The statement recommends, if local salaries are insufficient for obtaining a decent level of living, incentives (financial or others) for qualified

manpower, renouncing potential private earning in order to dedicate themselves to the planning, organisation, supervision and evaluation of the first line health services.

It is worthwile to note that international NGOs foresee different kinds of incentives for qualified expatriates but hesitate to apply the same principle when qualified local persons take over.

3.3. Principle 3

Approved text: NGOs should coordinate their health care activities among themselves and with the governmental health plan.

NGO initiated PHC projects, including supportive services, should not be financed in isolation from the overall development of health and related activities in a country. Coordination among NGOs should take place to avoid unfair or useless competition. Coordination with the government is also essential to meet national health priorities. Therefore, it is essential to finance offices at national and regional levels for the coordination of the different NGO health projects in as close a relation as possible with governmental planning and programming offices.

Comment: none

3.4. Principle 4

The mobilisation and allocation of both national and external resources for the development of NGO supported or organised PHC programmes must be in harmony with the national health care strategy and organised in such a way as to ensure continuity of financing.

When considering the mobilisation and allocation of external resources, NGOs should take into account the following:

- a critical look and evaluation of existing services should be made and funds re-allocated as necessary;

- mobilisation of local sources of funds rather than external funds. Often, communities need assistance with the organisation of local fund-raising activities rather than external funds. Such activities contribute to the development of self-reliance;

- if external funds are considered to be essential, these should be provided outright rather than as loans. Continuous external financing of certain PHC projects in countries unable to do so because of their economic situation, should not be rejected. Such projects are a contribution to international solidarity. These funds should however be used primarily for the funding of adequate logistic support rather than for the delivery of the first line services themselves.

Comment

The actual international economic order maintains a glaring inequity between populations and between countries. Therefore, external financing could be considered as a small contribution of international solidarity and not as a sort of philantrophy. However, in order to be in line with principle 1, this contribution should take into account the requirement of the overall development.

Efforts should therefore first of all aim at more efficiency of the existing services and at an optimal balance in the allocation of resources to the first line health services. WHO edited a manual explaining in a practical way how to proceed (E.P. Mach and B. Abel Smith "Planning the financing of the Health Sector - a manual for Developing Countries").

If the redistribution of available resources cannot solve the problem, the next priority for allocation of resources is the development of mechanisms or of services likely to mobilise local funds.

If local funds are not yet sufficient and if external resources are used for the financing of the health care system, these resources should be allocated to the logistic and methodological support rather than to the direct financing of the services delivered. This choice will have the advantage to avoid the collapse of the service delivery if, for any reason, the external input is stopped.

If the resources of the country are so scarce that part of the service delivery has to be financed directly by external funds, the external resources should be allocated to the higher echelons rather than to the first line health facilities. This choice will have the advantage that the interface between community and health service will not loose its dynamism and credibility if, for any reason, the external input is stopped. The external financing of the referral level will however only contribute positively to the PHC if each level plays its specific role. This means that the referral level is only accessible for persons referred by local health services of good quality and for emergencies requiring a technology, not available at the first level.

3.5. Principle 5

Approved text: The training of health personnel should be in appropriate numbers and using appropriate methods.

NGOs involved in the preparation of particular categories of health personnel must take into account the health manpower situation in the country. The training should be task-oriented and practical. It should include technical as well as managerial tasks. There should be provision for supervision and continuing education.

The functions and responsibilities of such workers must be clearly defined so as to facilitate cooperation and coordination with community and other health workers, and with other development sectors.

Comment

The reason why this principle was formulated is the observation that too often the training of health manpower is limited to the technical aspects. Hence, the quality of the exchanges between population and health manpower will mainly be determined by its empathy and communication skills. The smooth functioning of the service the manpower is in charge of, will depend on its managerial skills.

3.6. Principle 6

Approved text: For more effective participation in policy formulation and planning with the government, NGOs should actively pursue the monitoring and evaluation of their own work as well as carry out or support relevant operational and/or action research.

NGOs are able to be more flexible than governments in the allocation of their resources. They can apply this flexibility for financing research on new or ongoing initiatives of local communities and local organisations in primary health care provided they are politically acceptable and in agreement with the overall socio-economic development of the country. Research findings are necessary for the development of new models, extension or modification of services and the sharing of experiences, as well as to measure the effectiveness and efficiency of services provided in terms of benefits to the individual and the community.

International NGOs should involve local personnel in their research efforts.

Comments

The claim for operational research and action-research contrasts with the almost exclusive orientation of research efforts towards fundamental and technological research. If the implementation of PHC really concerns the NGOs, they should put part of their resources aside for the evaluation of their own PHC initiatives. In some circumstances, thorough understanding of what is going on will require operations and actions research. If NGOs would moreover finance research concerning PHC programs initiated by the government or by local communities, they would show, in line with principle 2, their sincere concern for the harmonious development of health systems in the country.