

6. Resource mobilization and financing

Since the inception of Roll Back Malaria in 1998, and particularly since the Abuja Summit in 2000, malaria prevention and control have once again become domestic and international priorities. International spending for malaria has increased at least twofold since 1998, and this does not even include the complementary financing of a range of primary health care services (such as reproductive health and IMCI) that also have an impact on malaria (1).

In 2002, approximately US\$ 200 million was earmarked for malaria control worldwide, compared with an estimated US\$ 60 million in 1998. Of the total in 2002, about US\$ 70–80 million can be attributed to domestic commitments (1). Through the work of national and international RBM partners, the renewed importance of malaria is reflected in the development of country strategic plans, the recognition of malaria control actions as a global public good, and the prioritization of malaria in development initiatives such as the Highly Indebted Poor Countries initiative and the Millennium Development Goals.

6.1

Resources required to roll back malaria

A broad resource base is essential to reduce the burden of malaria in Africa. Critical resources include financial and human resources, institutional know-how, political commitment, and community support. These resources are located in a diverse set of institutions including governments, nongovernmental organizations, the international community, the private sector, and civil society.

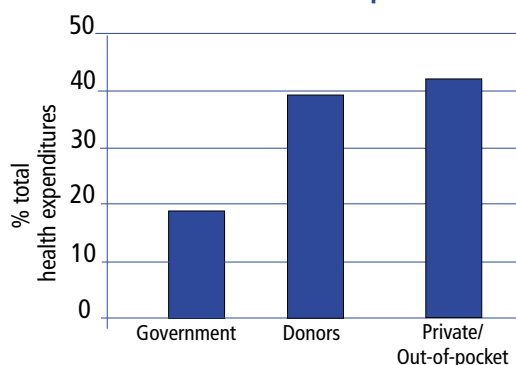
Harnessing and coordinating these resources require the development of consensus among potential partners and the formation of effective working relationships. The establishment of partnerships working toward a common goal is an integral part of the strategy to Roll Back Malaria.

The Abuja Declaration in 2000 (2) called for the allocation of new resources – at least US\$ 1 billion per year – from African countries and their development partners. Although more resources are available for malaria control today than 3 years ago, a significantly greater investment is needed to support those fighting malaria on the ground. In 2000 and 2001, African heads of state pledged to allocate the resources required for sustained implementation of planned Roll Back Malaria actions, including significant increases to country health budgets. However, in order for additional investments to have an impact on malaria,

Malaria control is financed through mainly three channels

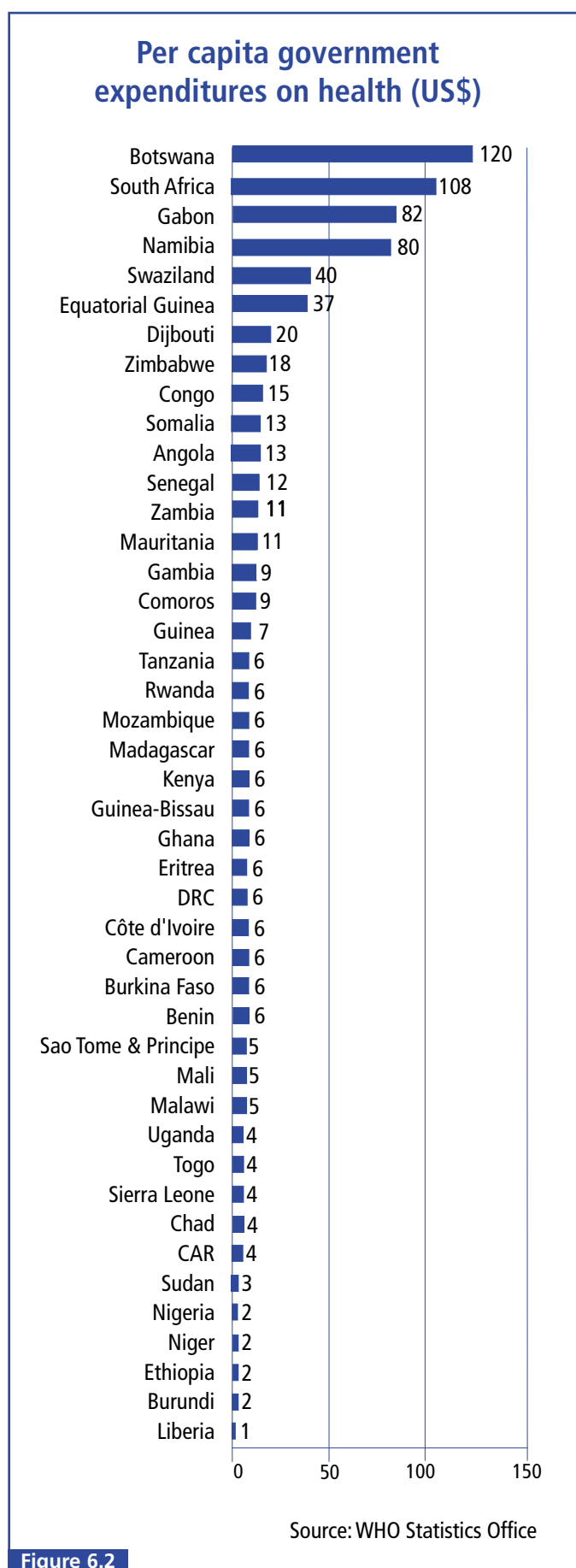
Private – primarily household – expenditures, combined with donor support, make up the bulk of health and malaria control financing in Africa south of the Sahara. The available data suggest that expenditure on health care and malaria control by African governments is low. Successful efforts to reduce the financial burden of malaria on African families must concentrate on reducing out-of-pocket expenditures on malaria commodities, such as drugs, while making these expenditures more efficient, for instance, through improving the quality of drugs and encouraging correct drug use. Governments are highly dependent on external support for health, and increased governmental health expenditures would enable greater support for malaria control.

Contribution of different sources in African health expenditure



Source: World Health Report 2002 Statistical Annex 5

Figure 6.1



countries must have mechanisms by which resources can be translated into effective programmes that reach those most in need. This requires functioning health systems that allocate appropriate resources to malaria programmes for recurrent costs and essential commodities (such as antimalarial drugs), administrative systems that ensure timeliness, regularity and accountability in the flow of funds, infrastructure and supplies for delivering services, a skilled and motivated work force, and sufficient organizational capacity to manage the system. In addition, an enabling environment is required to stimulate private sector growth to provide commodities for malaria prevention and treatment, such as insecticide-treated nets and antimalarial drugs.

Rationalization of taxes and tariffs on drugs and nets, for example, has already contributed to this environment in some countries. While private sector growth is stimulated, governments will have an increased responsibility to implement sufficient regulatory controls to ensure the safety, quality, and effectiveness of malaria control commodities.

6.2

Domestic resources

It is not possible to ascertain accurately the amount of government resources supporting malaria control. Malaria control today is financed through a range of complementary programmes that all have an impact on malaria. Public health activities such as IMCI, reproductive health programmes, and other primary health care services will all have direct positive impacts on malaria but are not recorded as expenditures attributed to malaria control programmes. In addition, many malaria costs are covered by general budgets for health facility staff or drugs. In countries with a heavy malaria burden, the disease may account for as much as 25–40% of outpatient visits and up to 50% of inpatient admissions, generating costs that may amount to as much as 40% of public health expenditure. Figure 6.2 illustrates the expenditures on health in 44 African countries.

Continued fiscal shortfalls faced by those working on malaria suggest that, despite progress, government resource allocations for malaria are still insufficient. Governments in

The prioritization of malaria control in debt relief: A reflection of renewed importance

The Heavily Indebted Poor Countries (HIPC) Initiative is the first international response to provide comprehensive debt relief to the world's poorest, most heavily indebted countries. The 26 countries that entered the HIPC programme, of which most are in Africa south of the Sahara, are saving an average US\$ 1.3 billion per year compared with debt payments in 1998. Resources freed from debt are being used to support country-driven poverty reduction strategies – in the form of Poverty Reduction Strategy Papers (PRSPs), which are developed by national governments in consultation with civil society.

As of January 2003, PRSPs (and Interim PRSPs) in every country in Africa south of the Sahara note malaria as a significant contributor to poverty and stress the importance of malaria control in their approaches to sustainable development. The prioritization of malaria in these documents will have tangible implications for financing malaria control. For instance, as of 2002, all World Bank activities in countries that have prepared poverty reduction strategies must respond to the priorities detailed in the PRSP. In addition, the Bank has developed Poverty Reduction Support Credits (PRSCs) to directly support implementation of a country's poverty reduction strategy. Although the process is still relatively new, these resources have already been made available for malaria control in some countries, such as Cameroon.

African countries generally support public sector salaries without providing resources for the other recurrent expenditures, such as antimalarial drugs, needed to deliver services. In addition, although the "cost" of achieving the scale of action required may be significant, human resources are required for expenditures to have an impact on reducing the burden of malaria. In many African countries today, however, shortages of trained personnel impede malaria control more than the lack of financial resources.

Most people in Africa south of the Sahara pay out-of-pocket for malaria control

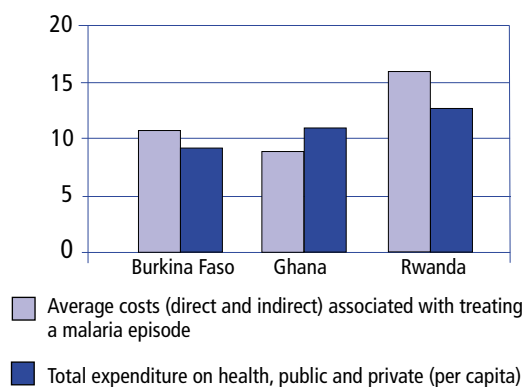
Overwhelmingly, people in Africa south of the Sahara pay for malaria prevention and treatment through out-of-pocket expenditure. The lack of government resources for malaria prevention and treatment contributes to shifting the burden of expenditure to households. Evidence suggests that most of this expenditure is on pharmaceuticals, the costs of which will further rise with the introduction of new antimalarials made necessary by increasing resistance to current drugs. Measures should be taken to reduce the costs of these drugs, for instance through targeted subsidies. It is important to note, however, that high out-of-pocket expenditure indicates a willingness to pay for malaria treatment, which may have positive implications for the sustainability of malaria control financing.

Inevitably the poorest households will spend a greater proportion of their income on

The cost of malaria control is high

The average direct and indirect costs (opportunity cost of time, for instance) of malaria can exceed per capita total spending on health, highlighting the importance of increased government health expenditures to mitigate the health and economic impact of malaria.

Average costs of malaria treatment (US\$)



Original data source: references 4, 9, 10

Figure 6.3

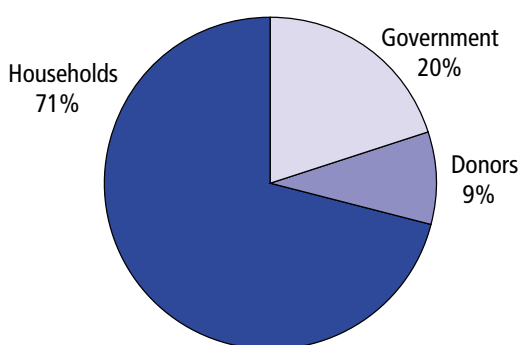
Government expenditures on health are low

Health expenditure in Africa is generally less than US\$ 15 per person per year – and less than US\$ 5 per year in several countries. Some of the variation between countries can be attributed to their relative wealth but there is also a considerable range in the percentage of government expenditure allocated to health –from 3.0% to 16%. In 2001, the year after the summit on malaria, leaders of African countries assembled once again in Abuja, Nigeria, and pledged to earmark 15% of their national budgets to health spending. Fulfilling this pledge would no doubt have a significant impact on the financial resources available for malaria.

Households are spending the most for malaria

In the United Republic of Tanzania, more than 70% of total expenses for malaria control come from households and are spent in the private sector. A similar financial burden is felt by households across Africa south of the Sahara, suggesting a need for improved targeting of interventions – particularly preventive interventions – at the household level. In addition, better understanding of domestic expenditure flows could lead to improvements in the distribution of resources for malaria control.

Total malaria expenditures by source in the United Republic of Tanzania, fiscal year 1998

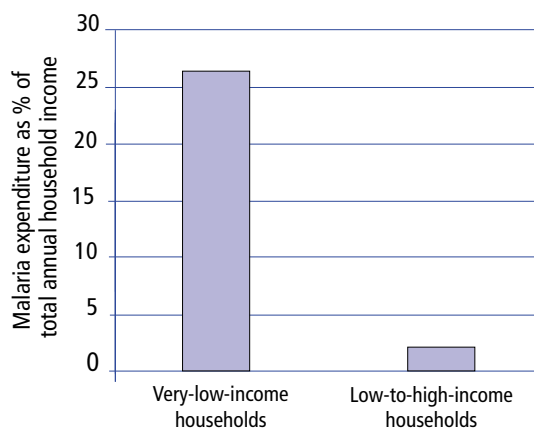


Source: reference 5

Figure 6.4

The financial burden of malaria is greatest on the poor

A study from Malawi demonstrated that both poor and less poor households spent approximately US\$ 19 for malaria treatment annually. This represents a relatively greater burden on poorer households. Strategies must be devised to reduce costs for the poor while maximizing the health impact of expenditures.



Source: reference 6

Figure 6.5

malaria prevention and treatment. Strategies to mitigate the financial burden of malaria – particularly on the poorest households, least likely to afford the necessary expenditures – should be combined with appropriate communication and behaviour change activities both to reduce the costs of malaria-related commodities and to support appropriate use of those commodities.

Household spending should be directed toward the most effective interventions

Although household spending on malaria control is very high, it is not necessarily efficient. Most purchasing of malaria control commodities occurs in the private sector – through local markets and drug vendors, for instance – with the result that individuals receive little guidance and may purchase and use poor-quality, inappropriate, or incomplete interventions. Significant expenditures on mosquito coils and insecticide aerosol sprays have been reported, but while these commodities reduce nuisance mosquitoes there is little evidence that their use reduces the burden of malaria. Drug vendors may provide little guidance on treatment choice and usually will not encourage the completion of a full course of treatment, contributing to the development of parasite resistance.

Communication programmes designed to bring about behaviour change will play an essential role in guiding consumers towards the purchase of malaria control interventions of demonstrated effectiveness in reducing malaria transmission, such as insecticide-treated materials and antimalarials to which resistance is less common. There is evidence that preventive spending directed at ITNs may reduce the annual cost per case of all-cause clinic visits by sick children from US\$ 49 to US\$ 38 (3), suggesting a significant cost saving in addition to the reduction in pain and suffering from disease.

Planning for impact

Several countries are well advanced in forming coalitions between partners that are working towards an agreed plan of action. The process differs from one country to another but some common themes are evident. The process usually starts with a situation analysis of the state of health sector development, as well as of the epidemiology of malaria. The analysis also identifies the resources available to roll back malaria, including the diverse range of

stakeholders already involved in malaria control. Formal partnerships are created and a statement of intent issued, indicating what will be achieved in 5 years, and how. Resources are mobilized from partners and systems are set up to monitor achievements in rolling back malaria. Forty African countries have drawn up National Strategic Plans, and at least 25 countries are ready to implement. Many of these plans have served as the basis for successful proposals to the Global Fund to Fight AIDS, Tuberculosis and Malaria – and some are already receiving funds from this source to support implementation of the plans (Table 6.1).

Partnerships with industry are increasing resources for malaria

The business community is increasingly playing a role in the Roll Back Malaria partnership and providing vital resources and expertise to support malaria control programmes. Partnerships have been forged with the drug industry, companies with major investments in malaria-endemic countries whose workers are at risk from malaria, and manufacturers of nets and insecticides. In addition, companies have provided funds for training and collaborating with young scientists and medical officers to allow them to gain valuable experience in the field.

Understanding resource flows to improve effectiveness of expenditures

Financial resources are only one part of resource mobilization. African countries and the international community need to place greater emphasis on understanding the flow of resources to actual malaria prevention and control activities. Expenditure analyses that track spending on malaria can elucidate the pathways that allow financing for malaria to overcome administrative bottlenecks and support essential services and commodities required for achieving impact.

Efforts to roll back malaria in Ethiopia, for instance, have been hampered by inefficiencies in the flow of scarce resources to malaria prevention and control activities. Total expenditure for malaria control is approximately US\$ 10.25 million, or only US\$ 0.35 per person at risk, but even these limited resources could have a greater impact on malaria control if they were reaching those most in need.

Through a recent malaria expenditure

RBM policy planning and implementation

	Situation analysis	Coordination mechanism	National strategic plan	Costed plan	Implementation plan	Monitoring & evaluation plan
Angola		✓	✓	✓	✓	✓
Benin	✓	✓	✓	✓	✓	✓
Botswana	✓	✓	✓	✓	✓	✓
Burkina Faso	✓	✓	✓	✓	✓	✓
Burundi						
Cameroon	✓	✓	✓	✓	✓	✓
CAR	✓	✓	✓	✓		✓
Chad	✓					
Comoros			✓	✓		✓
Congo			✓	✓		✓
Côte d'Ivoire	✓	✓	✓	✓	✓	✓
DRC	✓	✓	✓	✓	✓	✓
Djibouti	✓	✓	✓			
Equatorial Guinea	✓	✓	✓	✓	✓	✓
Egypt	✓	✓	✓	✓	✓	
Eritrea	✓	✓	✓	✓	✓	✓
Ethiopia	✓	✓	✓	✓	✓	✓
Gabon						
Gambia	✓	✓	✓	✓	✓	✓
Ghana	✓	✓	✓	✓	✓	✓
Guinea	✓	✓	✓			✓
Guinea-Bissau	✓		✓	✓		✓
Kenya	✓	✓	✓	✓	✓	✓
Liberia		✓	✓	✓	✓	✓
Madagascar	✓	✓	✓	✓	✓	✓
Malawi	✓	✓	✓	✓	✓	✓
Mali	✓	✓	✓	✓	✓	✓
Mauritania	✓	✓	✓	✓	✓	✓
Mozambique	✓	✓	✓	✓	✓	✓
Namibia	✓	✓	✓	✓	✓	✓
Niger	✓	✓	✓	✓		✓
Nigeria	✓	✓	✓	✓	✓	✓
Rwanda						
Sao Tome and Principe		✓	✓	✓		✓
Senegal	✓	✓	✓	✓	✓	✓
Sierra Leone	✓					
Somalia	✓	✓	✓	✓	✓	
South Africa	✓	✓	✓	✓	✓	✓
Sudan	✓	✓	✓	✓	✓	✓
Swaziland	✓	✓	✓	✓	✓	✓
Tanzania	✓	✓	✓	✓	✓	✓
Togo	✓	✓	✓			✓
Uganda	✓	✓	✓	✓	✓	✓
Zambia	✓	✓	✓	✓	✓	✓
Zimbabwe	✓	✓	✓	✓	✓	✓

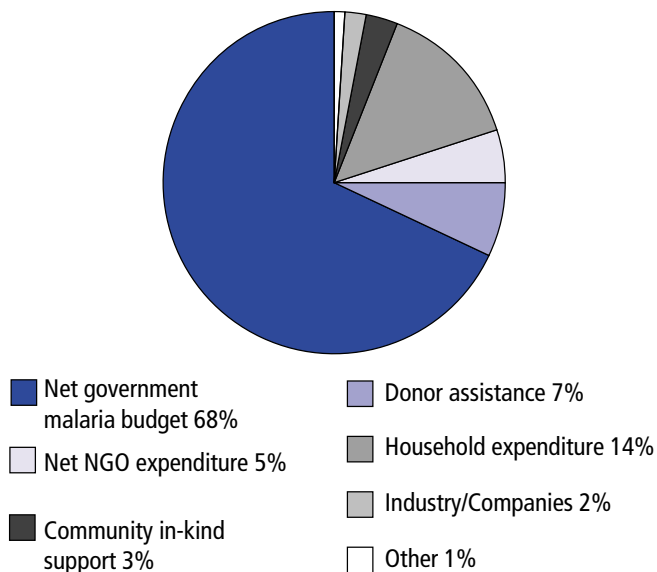
Table 6.1

Source: RBM data

Expenditure for malaria can be attributed to many different sources

Understanding resource flows to malaria control and the essential interventions that are part of it is important to improving efficiency and utilizing both existing and new resources.

Ethiopia: Malaria expenditure by source
(Total: US\$ 10.25 million)



Source: reference 8

Figure 6.6

review in Ethiopia, commissioned by Roll Back Malaria, it is clear that different parts of the malaria control programme are competing for the same scarce resources, leaving little room for transportation, antimalarials, and other recurrent operational costs. For example, public facility-based pharmacies, where patients can obtain drugs free of charge, are often out of stock of essential drugs, forcing patients to purchase drugs at private facilities (7). In addition, the allocation of funds across the different levels of the health sector that have contact with malaria patients may not be proportional to need.

Ethiopia has recently decentralized the delivery of health services and has not yet established sustainable management and financial structures within all levels of the health sector. However, the bottlenecks that impede effective resource flows for malaria have now been identified and malaria control is back on the government agenda. With increases in management and

implementation capacity, Ethiopia will be able to use effectively the approximately US\$ 38 million in new financing from the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Further organizational and institutional strengthening, accompanied by political commitment and increased international support, will assist Ethiopia to use new and existing resources to better support effective malaria control measures.

Similar reviews of resource flows to malaria control should be undertaken in other countries in Africa south of the Sahara to make better use of existing resources and improve targeting of new resources, so that the impact of both domestic and donor resources can be maximized.

6.3

International resources

Despite the increased level of international financing, the amount of money available in most countries to control malaria is still inadequate. In some cases, the necessary additional resources can be made available internally through greater government allocations for increased preventive and control activities. If this alone is insufficient, government spending needs to be supported by increased international funding.

Although continued financial support from the international community for malaria control is essential, it is equally important for the international community to support countries in developing implementation capacity. For instance, donors should work with countries and the private sector to devise and implement innovative financing schemes – the use of targeting mechanisms, such as vouchers for ITNs for instance – to improve financial flows to malaria control on the ground.

A health sector-wide approach for malaria support in the United Republic of Tanzania: a reduction in malaria will be a mark of success

The World Bank-funded Health Sector Development Programme Project in the United Republic of Tanzania broadly supports the first phase of the Health Sector Reform Programme of the country's government. Although project financing is not specifically designated as "malaria" financing, the

Countries and donors still need to increase spending for malaria

Recent estimates of what is financially necessary for malaria control with available tools suggest an approximate US\$ 0.6–0.9 (2002 US\$) per capita by 2007 and 2015, respectively, a significant increase from current levels of financing.



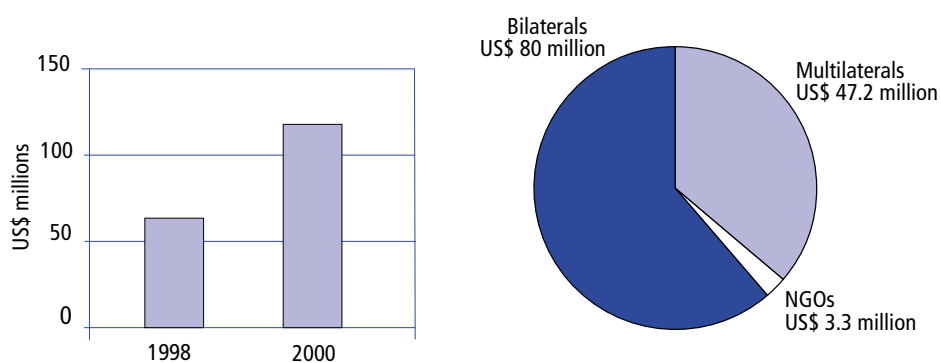
Note: Chart refers to malaria control in Africa south of the Sahara

Figure 6.7

Source: reference 1

International financing earmarked for malaria has more than doubled

International expenditures on malaria increased from US\$ 60 million in 1998 to US\$ 120 million in 2002. Including spending for reproductive health, IMCI, and primary health care, all of which have an impact on malaria, raises the total amount to significantly more than US\$ 120 million. The figure (right) shows estimated earmarked expenditures on malaria worldwide by bilaterals, multilaterals and NGOs.



Source: reference 1

Figures 6.8 and 6.9

The Global Fund: A new resource to fight malaria

Commitments from the Global Fund to Fight AIDS, Tuberculosis and Malaria have significantly increased the financial resources for malaria control in Africa. Over the next 2 years, the Global Fund is expected to disburse US\$ 256 million for malaria control activities in 25 African countries. The challenge now is for countries to develop the capacity to spend the money efficiently and for the international community to support Africa in that effort.

Africa: Global Fund component approvals as of January 2003

Country	Total commitment over two years (US\$)
Benin	2 389 185
Burkina Faso	7 144 703
Burundi	13 792 126
Comoros	1 534 631
Eritrea	2 617 633
Ethiopia	37 915 012
Ghana	4 596 111
Guinea	6 893 509
Kenya	10 526 880
Madagascar	2 023 424
Malawi	20 872 000
Mali	2 023 424
Mauritania	824 125
Mozambique	12 273 573
Namibia	3 719 354
Nigeria	17 828 808
Senegal	4 285 714
Somalia	8 890 497
Sudan (North)	14 237 853
Sudan (South)	12 855 490
Swaziland	978 000
Tanzania	11 959 076
Tanzania (Zanzibar)	781 220
Uganda	23 211 300
Zambia	17 892 000
Zimbabwe	6 716 250
Multicountry Africa ^a	7 424 815
Total	256 206 713

^a: Lubombo Spatial Development Initiative Area

Source: The Global Fund Secretariat, January 2003

Table 6.2

project's objectives have profound implications for resource mobilization for malaria. A target of reducing the malaria inpatient case-fatality rate for children under 5 from 12.8% (1997) to 8% (2011) has been included as a key indicator of success, and the government has successfully allocated approximately US\$ 10 million for malaria in 2003 (Figure 6.10).

The potential flexibility and country ownership of sector-wide approaches (SWAPs) have dramatically changed the resource envelope for malaria in a number of African countries. As of February 2003, at least eight countries in Africa south of the Sahara have prioritized malaria through SWAPs. With detailed district-level planning and coordination with sectoral funding cycles and planning meetings, additional resources for malaria prevention and control can be made available while the health sector as a whole is strengthened.

6.4

Next steps for financing malaria control in Africa

Countries have demonstrated commitment to RBM by driving the Country Strategic Planning process. International expenditure directly financing malaria has risen dramatically, and additional support for malaria through sectoral financing schemes can be mobilized as required. In addition, the Global Fund for AIDS, Tuberculosis and Malaria is an exciting new source for significant direct support for malaria control.

Countries should improve domestic health sector investment and management, including improved integration of malaria control activities into health sector development efforts.

Policies that provide a greater resource base for health in general and malaria in particular must be pursued, including policies that promote equity of access to goods and services and facilitate the delivery of quality services at low cost through the private commercial sector. Public sector linkages with the private sector and NGOs, through contracting out of services for instance, would allow countries to expand significantly the resource envelope for malaria activities.

Communications for behaviour change must coincide with resource mobilization activities to improve the efficiency of household spending on malaria prevention and control

A significant portion of the financial burden from malaria falls on households. Though measures must be taken to mitigate the financial impact on the poorest who are unable to afford such high levels of out-of-pocket expenditure, the prominent role of households in malaria control marks an opportunity as well. If, for instance, household expenditures were made only on appropriate and effective malaria prevention and treatment commodities, current spending could make a significant impact on the malaria burden. Behaviour change communications combined with innovative financing mechanisms would make the most of existing household expenditures.

The international community must assist countries and partners in spending increased resources for malaria effectively and demonstrating their impact

Donors should work with governments to improve management and organizational capacity for monitoring and evaluating resource flows, both human and financial. Existing resources do not always flow to

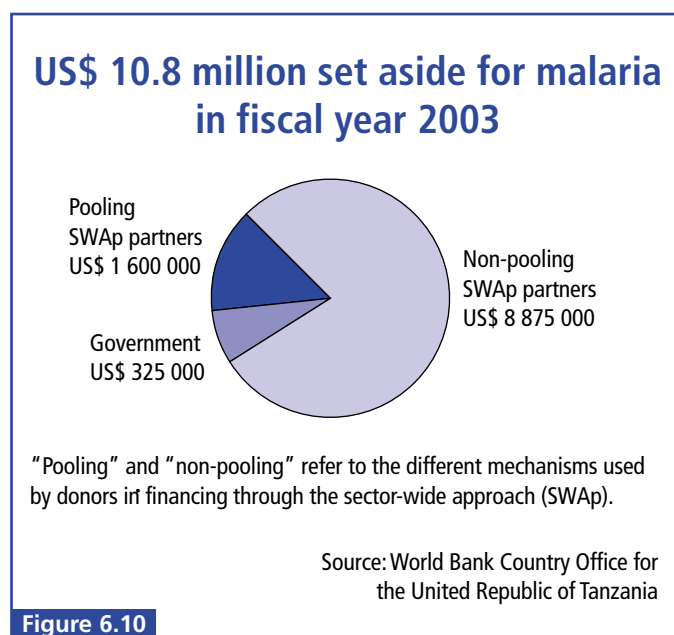
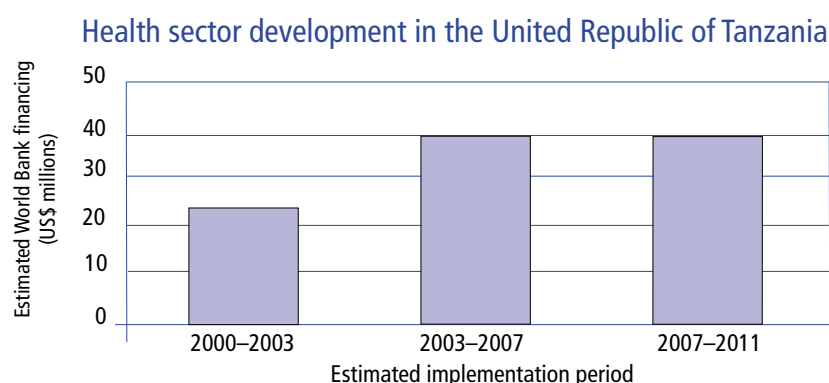


Figure 6.10

those who need them most. It is essential that governments respond by prioritizing malaria within their own health sector budgets to maximize the disbursement of domestic and international resources to prevent and control malaria. At the same time, the international community must assist countries in the efficient and effective spending of available resources for malaria, such as those mobilized through health sector development programmes and the

Malaria control is a priority in health sector development



Despite the lack of explicit earmarking, a significant portion of the funding for World Bank financing of health sector development in Tanzania will support malaria control, either for direct malaria activities at national or district level, infrastructure and vehicles for health services, or through improved supplies of pharmaceuticals. Should the need arise, the Tanzanian government could request that additional malaria-specific inputs be financed from this source of funds.

Source: World Bank Country Office for the United Republic of Tanzania

Figure 6.11

Global Fund. Public health success stories, such as the Onchocerciasis Control Programme and the polio eradication campaign, have depended on the combination of country commitment and international support translating into impact on the ground. There is good reason to believe that similar progress can be achieved in malaria. As recent increases in malaria financing demonstrate, the international community stands ready to support countries in their malaria control efforts, and should readily increase expenditures with further progress in countries.

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