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# HFG ANGOLA FINAL REPORT



*USAID's Health Finance and Governance (HFG) project helps to improve health in developing countries by expanding people's access to health care. Led by Abt Associates, the project team works with partner countries to increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions.*



# ABOUT THE HEALTH FINANCE AND GOVERNANCE PROJECT 2012-2018

The Health Finance and Governance (HFG) Project works to address some of the greatest challenges facing health systems today. Drawing on the latest research, the project implements strategies to help countries increase their domestic resources for health, manage those precious resources more effectively, and make wise purchasing decisions. The project also assists countries in developing robust governance systems to ensure that financial investments for health achieve their intended results.

With activities in more than 40 countries, HFG collaborates with health stakeholders to protect families from catastrophic health care costs, expand access to priority services – such as maternal and child health care – and ensure equitable population coverage through:

- Improving financing by mobilizing domestic resources, reducing financial barriers, expanding health insurance, and implementing provider payment systems;
- Enhancing governance for better health system management and greater accountability and transparency;

- Improving management and operations systems to advance the delivery and effectiveness of health care, for example, through mobile money and public financial management; and
- Advancing techniques to measure progress in health systems performance, especially around universal health coverage.

The HFG project (2012-2018) is funded by the U.S. Agency for International Development (USAID) and is led by Abt Associates in collaboration with Avenir Health, Broad Branch Associates, Development Alternatives Inc., the Johns Hopkins Bloomberg School of Public Health, Results for Development Institute, RTI International, and Training Resources Group, Inc.

The project is funded under USAID cooperative agreement AID-OAA-A-12-00080.

To learn more, visit [www.hfgproject.org](http://www.hfgproject.org)

## PROGRAMS OF THE ANGOLA NATIONAL HEALTH PLAN (PNDS)

- 1 Disease prevention and control program
- 2 Hospital and primary care program
- 3 Resource planning, management, and development program
- 4 Health research development program
- 5 Health services management and expansion program
- 6 Pharmaceuticals and medical equipment provision, logistics, and development program
- 7 Health management information system development program
- 8 Institutional development program
- 9 National health system financing and sustainability program





## CHALLENGES

In 2012, the government of Angola passed a comprehensive national health plan (*Plano Nacional de Desenvolvimento Sanitário* in Portuguese, or PNDS (2012–2025)). This first sector-wide strategic plan was a top political priority, as evidenced by the establishment of a Multi-Sector Commission of other ministers who oversaw its development. The plan outlined how the country would reduce malaria transmission and alleviate the progression of HIV/AIDS while improving maternal and child health.

Despite the excitement of the comprehensive and ambitious health plan, significant challenges remained regarding the capacity of the Ministry of Health (MINSA) to secure the necessary government financing to implement the plan.

Historically, the health budget had not been growing in proportion to the growth of the overall government budget.

Securing and sustaining domestic financing to implement the PNDS would require MINSA to determine the precise cost of PNDS implementation and to demonstrate the effectiveness of the plan to the ministries of finance, planning, and other ministries on the Multi-Sector Commission, to the legislature, and to other stakeholders. MINSA must also be able to track actual health spending. Without the necessary data, it is difficult to answer questions such as: What is the PNDS achieving? How are health funds being spent? How is MINSA taking steps to quickly address areas of poor performance?



## CHANGE

To support advocacy for adequate funding of the PNDS, HFG assisted MINSA to calculate a 12-year annual budget to implement the PNDS and estimate the health impact of achieving PNDS targets. The budget was approved by the Multi-Sector Commission as an official volume of the PNDS in 2014. In the years since the release of the PNDS, Angola has faced a financial crisis caused by the global drop in petrol prices. Due to this fiscal crisis, funding of all sectors, including health, has not increased. However, as a result of HFG assistance, MINSA submitted a realistic budget for the PNDS in 2014 and now has the capacity to cost future versions of the plan and advocate more effectively for funding. In 2017, Angola elected a new president. MINSA used the PNDS budget to explain and advocate with the new president, the new government, and other sectors the needs of the health sector. The costing contributed to the new government's approval of the PNDS, and it is still used as a reference document by MINSA departments for targets and strategies. In fact, one former MINSA employee who was involved in the costing exercise at

the national level and is now a provincial vice-governor for health has expressed interest in replicating the exercise at the provincial level.

The monitoring and evaluation (M&E) plan and HFG's assistance enabled MINSA to create an M&E department to conduct quarterly monitoring of their operational plans, including financial execution, to evaluate the health sector portion of the 2013–2017 National Development Plan (*Plano Nacional de Desenvolvimento* in Portuguese, or PND) and to develop the health sector portion of the 2018–2022 PND. MINSA has used all the information generated by the M&E plan to advocate for funding.

Although health funding as a percentage of total government funding decreased slightly from 4.3 percent in 2017 to 3.8 percent in 2018, as a result of MINSA's advocacy efforts this percentage is expected to increase again to 4 percent for the next five-year period. The new M&E unit at MINSA is also assessing the possibility of allocating part of the income generated by an increase in sin taxes (taxes on alcohol, night clubs, and gambling/lottery) to finance health.

*“In order to accomplish this ambitious plan [the PNDS] a collaboration will be necessary for the enrichment of orienting documents and the sharing of experiences for measuring the health sector’s progress at all levels, especially for taking on the dynamic leadership necessary for the process of health sector reform and transformation, with a view towards achieving the millennium development goals.*

*~ Carlos Maseca, Secretary of Health*



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## MAKING A DIFFERENCE



### RESULT AREA I

#### Accurate cost of health sector plan supports domestic resource mobilization

The 2012–2025 PNDS marked an important milestone in Angola. This was the first time that MINSA established a multi-sector commission comprised of other ministries to accompany and contribute to the process of developing a national health plan. MINSA posted the entire PNDS, announced the costing exercise on its website, and is keen on leveraging the plan to improve internal financial management and coordination with the Ministry of Finance. The whole PNDS process has the potential to demonstrate greater transparency and inclusion in strategic decision making. Therefore, having accurate cost estimates of the PNDS was an important step in the process of evidence-based budgeting for MINSA.

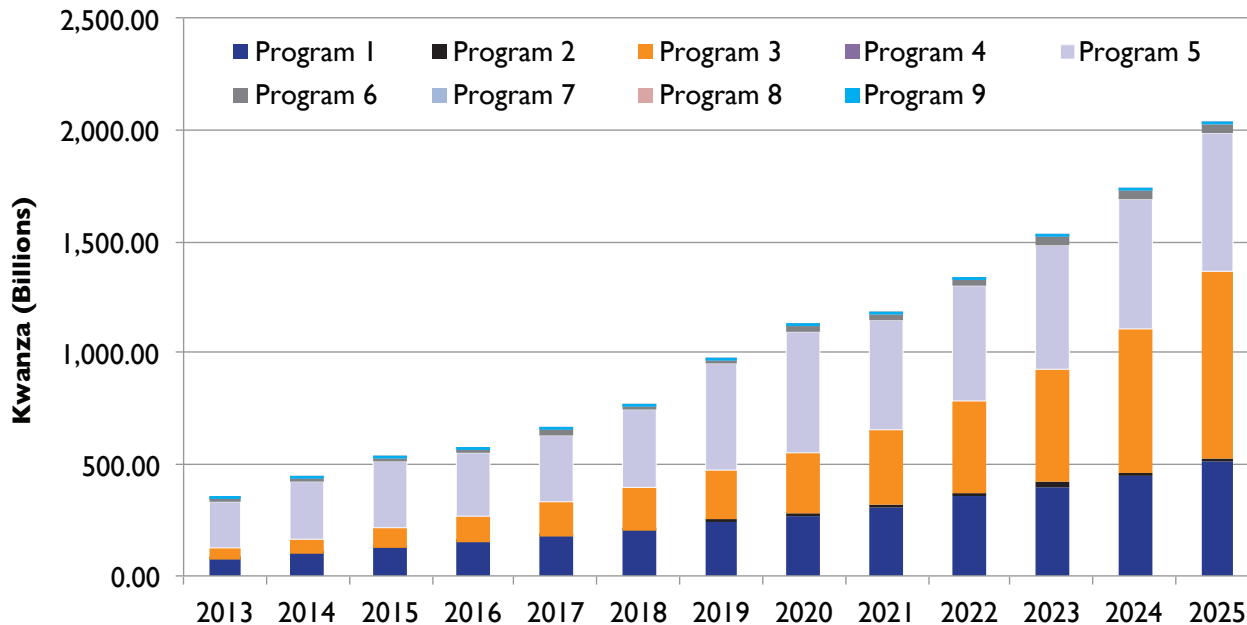
At the launch of PNDS, the plan was missing budget estimations. The Multi-Sectoral Commission refused to approve the plan without an estimate of its cost. HFG worked with the PNDS technical secretariat, which was led by MINSA’s Office of Studies, Planning, and Statistics (*Gabinete de Estudos, Planeamento e Estatística* in Portuguese, or GEPE), and included staff from MINSA’s Finance and Accounting Department to complete the costing of the PNDS, using the World Health Organization’s OneHealth Tool, in just four months.

HFG worked with the PNDS technical secretariat to collect from all departments and programs across the sector and input data into the One Health Tool. HFG then produced a 12-year PNDS budget validated by MINSA departments, which became an official volume of the PNDS itself. In addition, because HFG used the One Health Tool, it was possible to estimate the health impact of implementing the PNDS in terms of reduced mortality of children under 5, maternal mortality, and AIDS deaths. The impact data were highly valued by MINSA to advocate for funding the PNDS. Finally, HFG trained MINSA staff to use the One Health Tool to update the PNDS budget in the future.

The PNDS budget projected significant near-term increases in health spending and concluded that the PNDS could be funded if the percentage of the state budget allocated to health grew in proportion to the overall government budget. HFG helped MINSA present the PNDS budget and impact estimates to the Multi-Sector Commission, which then approved the PNDS and increased political support for higher government investment in the health sector.

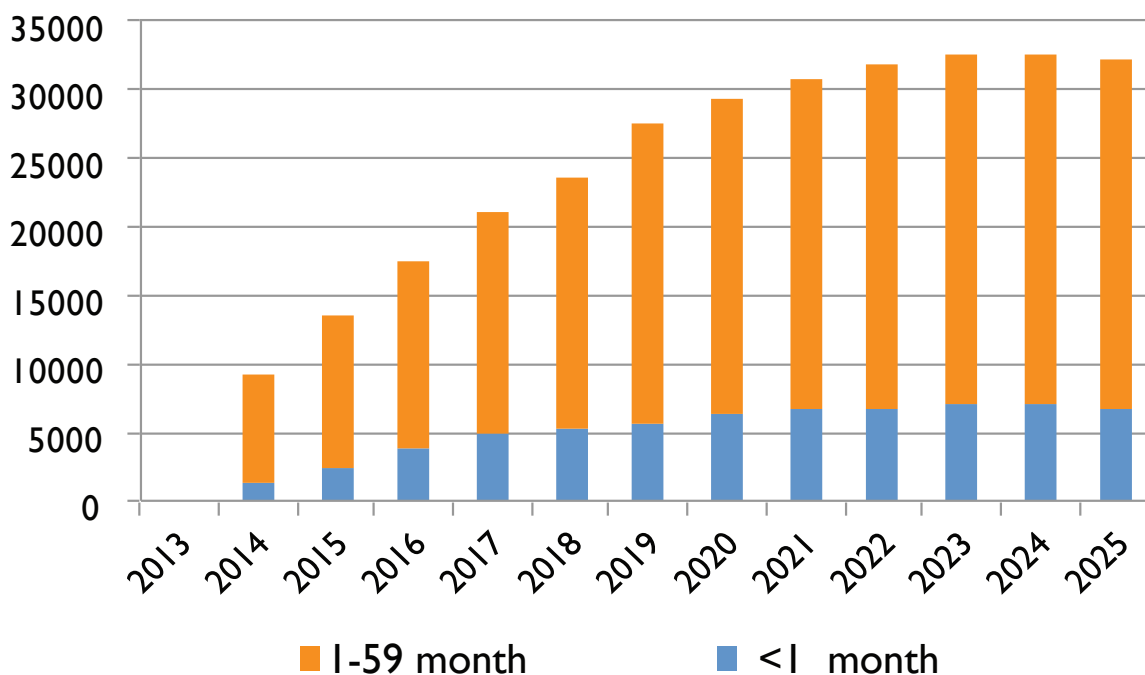


**ESTIMATED PNDS BUDGET BY YEAR AND PROGRAM.**  
PROGRAMS 1, 3, AND 5 REPRESENT 96% OF THE OVERALL BUDGET OF US\$6.3 BILLION



**THE COSTING OF THE PNDS ALSO ESTIMATED THE HEALTH IMPACT OF PNDS INVESTMENT, INCLUDING CHILD DEATHS PREVENTED**

**DEATHS PREVENTED IN CHILDREN LESS THAN 5 YEARS OLD**



*“One of the greatest impacts [of the M&E plan] was the contribution for the constitution and functionality of the M&E Department in GEPE; it also contributed to the strengthening of the health information system..., and enabled the advocacy for the increase of the health sector budget.”*

*~ Dr. Tânia Felix, M&E Department, GEPE*



## RESULT AREA 2

### Improved ability to monitor health sector progress

A strong operational plan for M&E of both the programmatic and financial implementation of the PNDS was critical to ensuring that MINSA can manage PNDS implementation and make the case for continued public investments in the health sector.

HFG collaborated closely with the PNDS M&E working group, including representatives from across MINSA, especially GEPE and the Finance and Accounting Department.

HFG developed an M&E plan for the PNDS, which included key performance indicators and an operational plan for implementing the M&E plan. The operational plan included steps for monitoring the financial aspects of PNDS implementation, including creating an M&E department within GEPE and conducting a midterm review of the PNDS.

#### KEY RECOMMENDATIONS AND ACTION ITEMS IN THE PNDS M&E PLAN

- Align the items in the PNDS interventions with the budgeting classifications to facilitate budgeting and financial monitoring
- Assess the possibility of adopting a Midterm Expenditure Framework system
- Classify all indicators used in the health sector according to the National Statistics Institute (INE) catalogue
- Establish an M&E Department within GEPE
- Conduct a midterm review of the PNDS
- Develop standard tools and forms for conducting periodic reviews and monitoring of PNDS and PND



### RESULT AREA 3

## Accountability for funding health

The system of Health Accounts is an internationally recognized method for health expenditure tracking. Health Accounts supply critical information for developing countries such as Angola to measure the adequacy, efficiency, equity, and sustainability of its financing of the health sector, as well as resource allocation across priority health programs. In the case of Angola, Health Accounts would be a way to hold the government accountable for funding the PNDS because they measure how funds are actually spent.

Previously, Angola undertook health resource tracking exercises, such as public expenditure review, to assess the magnitude and flow of public spending and household surveys to assess household spending on health. While these studies provided policy makers with critical information about public and private health resource flows, they had never been pulled together to provide the full picture of all the

sources and uses of health funds. Additionally, the available data were not current and did not serve as a baseline for the PNDS.

Working with GEPE, HFG trained MINSA staff members from GEPE to conduct the Health Accounts exercise and worked with the GEPE team to collect and analyze data in 2016. However, following the election of a new president in 2017 and the resulting change in MINSA leadership, donor activity in Angola came to a standstill for several months while the new leadership established its priorities. Despite coordinated follow-up by HFG, the USAID Angola mission, World Health Organization, and Gavi in support of Health Accounts, HFG was not able to receive approval from the new MINSA/GEPE leadership to conclude the Health Accounts exercise prior to the project's closing. The local team has all of the Health Accounts data and analysis and is ready to complete the exercise with a new source of technical assistance when MINSA gives approval.







# LOOKING FORWARD



## SUSTAINABILITY

Many of the tools, materials, and skills left behind by the HFG activities in Angola continue to be used by MINSA. The costed PNDS is used as a reference document in the government, since it is the only comprehensive costing of all health areas and cost categories linked to defined coverage targets in Angola.

The PNDS M&E plan served as a catalyst for many GEPE actions that were essential for improving health planning and monitoring. These include the creation of the M&E Department in GEPE, the PNDS midterm review, and the development of the 2018–2022 PND. In fact, 93 percent of the health indicators in the PND came from the PNDS M&E plan. GEPE also uses the plan and associated materials to train staff on M&E.

HFG also played an important role in helping Angola make significant strides in health planning and monitoring, which improved MINSA's ability to effectively advocate for health funding. Angola would benefit from continued technical assistance to solidify these gains and take them further, especially given the change in government in the 2017 election and the resulting turnover in MINSA (see Lessons Learned section below). There is still a need to build further capacity in GEPE and the Ministry of Finance on costing and M&E and to bring key activities such as costing and M&E to the subnational levels. A stronger focus on institutional capacity building would help boost results and sustainability.



## LESSONS LEARNED

The biggest challenge faced by HFG was the change in government due to the 2017 election, which resulted in major changes in leadership at MINSA. As a result, some of HFG's activities were put on hold for prolonged periods, while others such as Health Accounts were not completed,

due to changing priorities at MINSA. Although these circumstances are beyond any project or donor control, in the future it may be possible to mitigate their effect on activities by planning potential measures for different scenarios during an expected change in government.













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