

Structural Funds for health care – some critical aspects in funding health related projects

Kai Michelsen

Department of International Health

02.09.09



Faculty of Health, Medicine and Life Sciences



Universiteit Maastricht

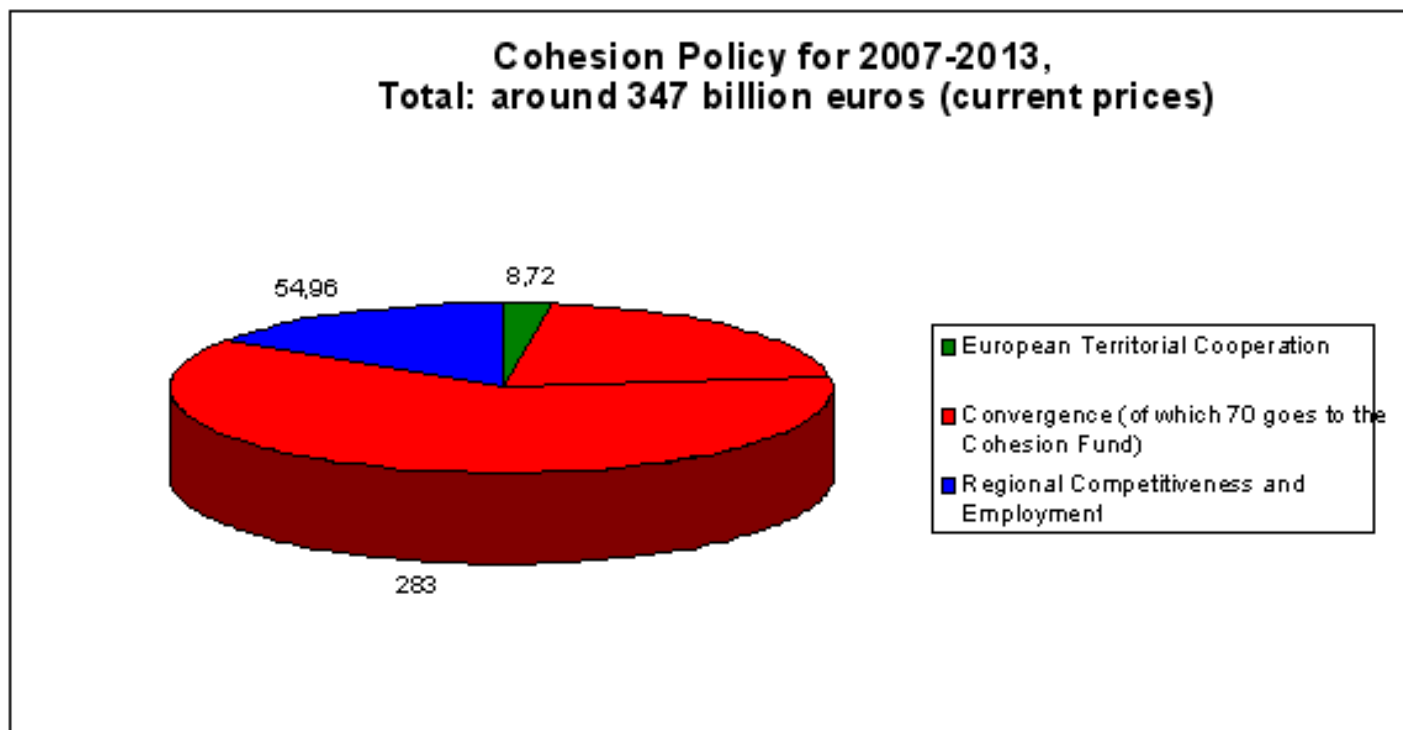
Overview

- New opportunities for investments in health and supporting rationales
- Some challenges
 - EU SF context, different perspectives, rationalities, interests
 - Added value of EU SF policies
 - Europeanization and capacity building
 - Status of programme implementation
 - Evaluation/monitoring
- Shaping the next SF period
- Conclusions

Objectives, Structural Funds and instruments 2007-2013

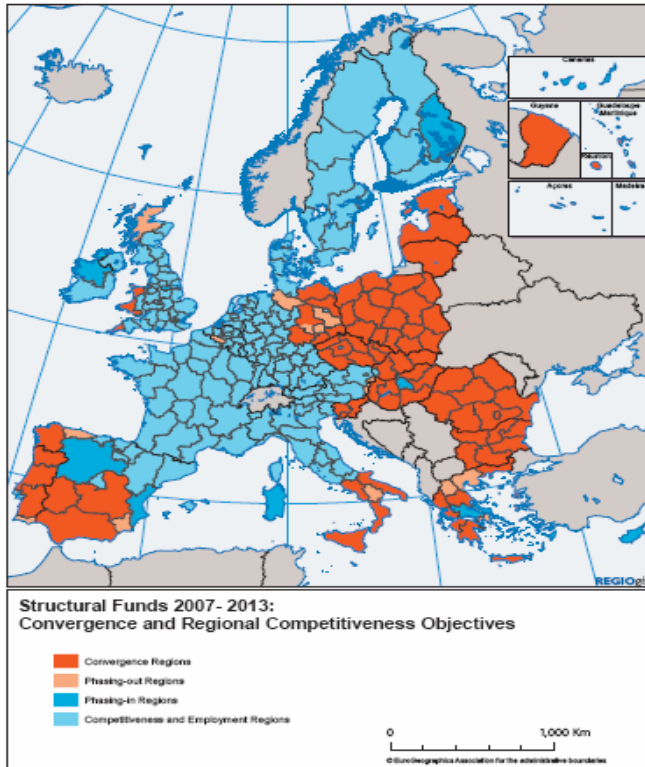
Objectives	Structural Funds and instruments		
Convergence	ERDF	ESF	Cohesion Fund
Regional Competitiveness and Employment	ERDF	ESF	
European Territorial Cooperation	ERDF		

Objectives and budgets 2007-2013

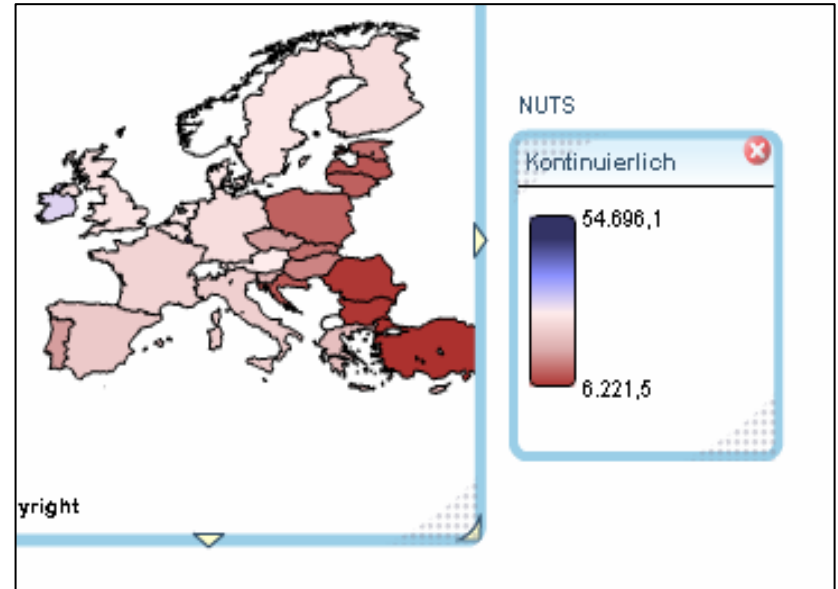


http://ec.europa.eu/regional_policy/policy/fonds/2007-2013-by-objective_large_en.gif

Regions, objectives, GDP

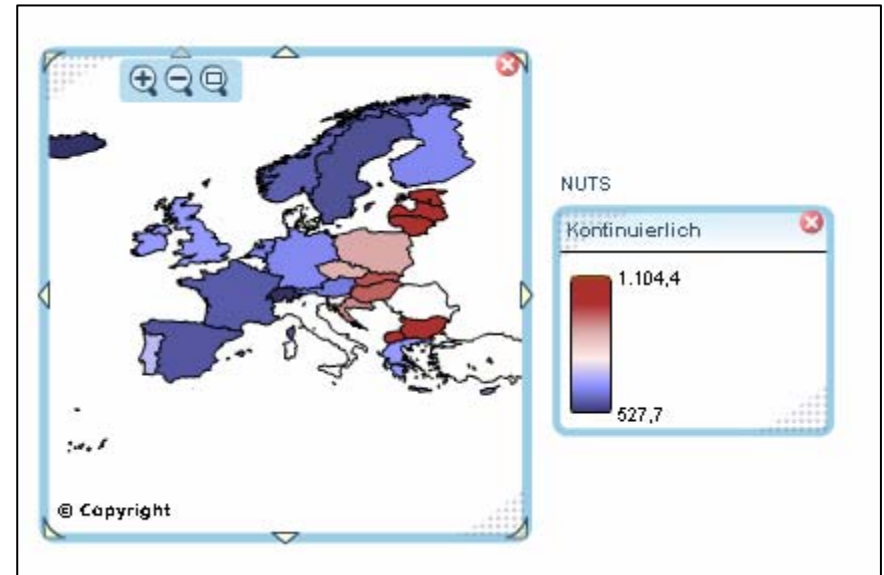
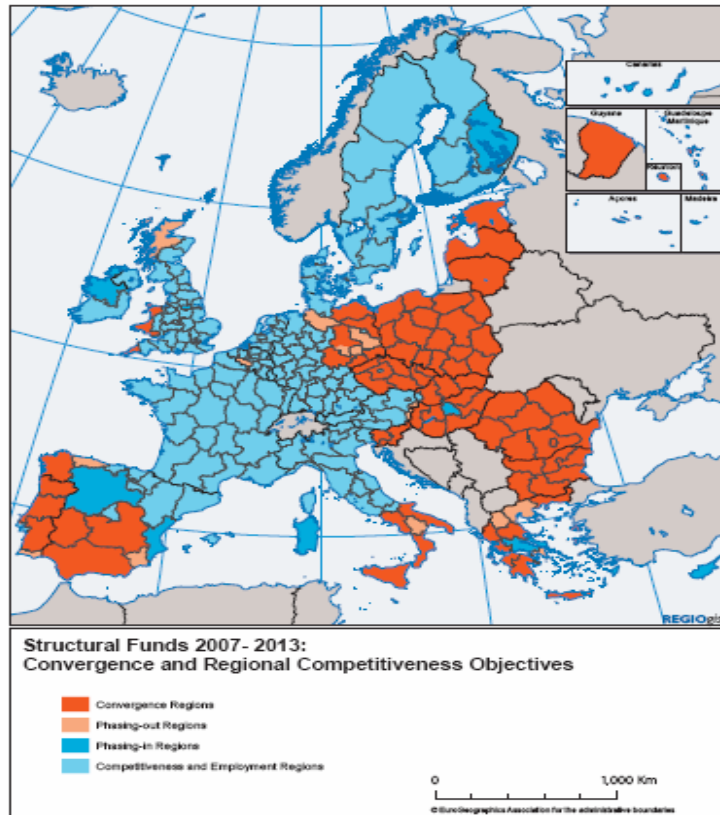


http://ec.europa.eu/regional_policy/atlas2007/index_en.htm



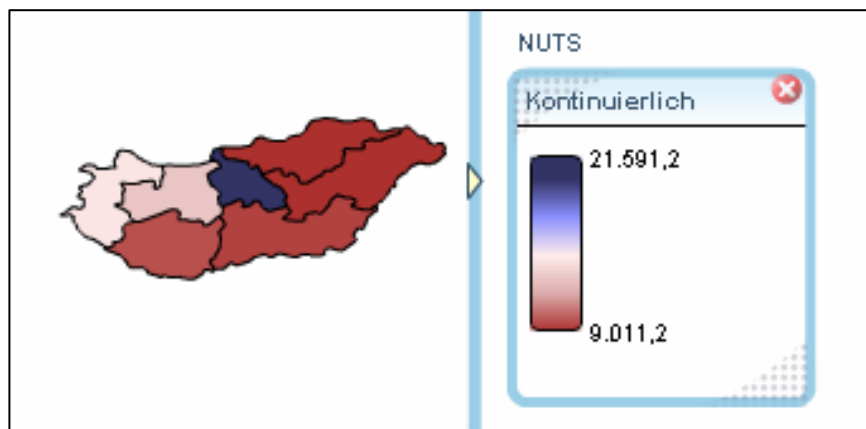
GDP at current prices (€),
PPP per inhabitant, 2004,
NUTS 0

Regions, objectives, standardized mortality

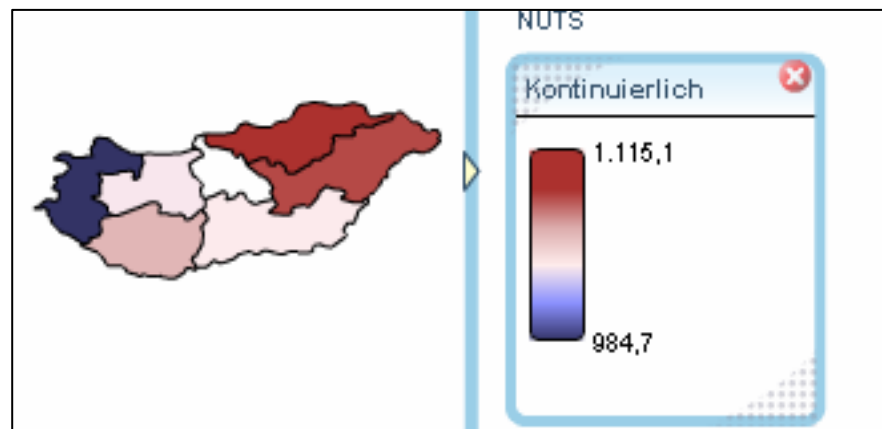


Standardized mortality
per 100.000 inhabitants
2003-2005, NUTS 0

Regions, GDP per head, standardized mortality

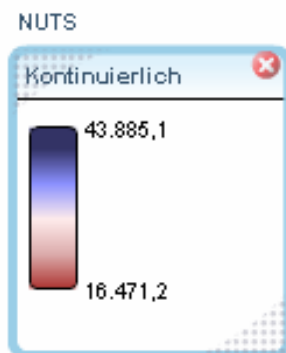
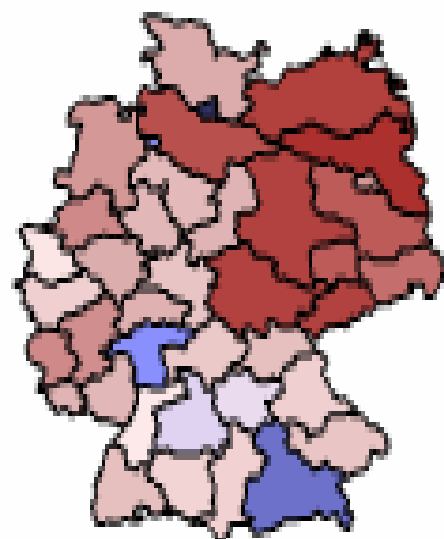


GDP at current prices
(€), PPP per inhabitant,
2004, Hungary, NUTS 2

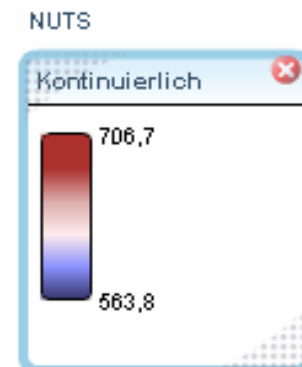
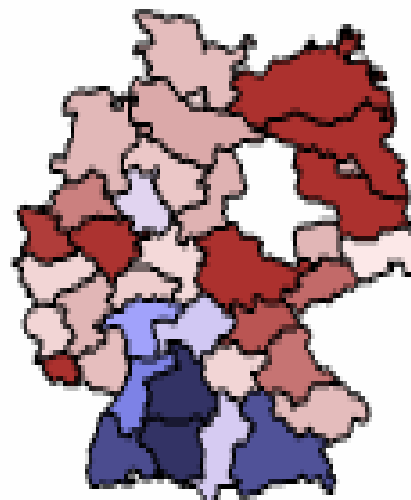


Standardized mortality
per 100.000 inhabitants
2003-2005, Hungary,
NUTS 2

Regions, GDP per head, standardized mortality



GDP at current prices
(€), PPP per inhabitant,
2004, Germany, NUTS 2

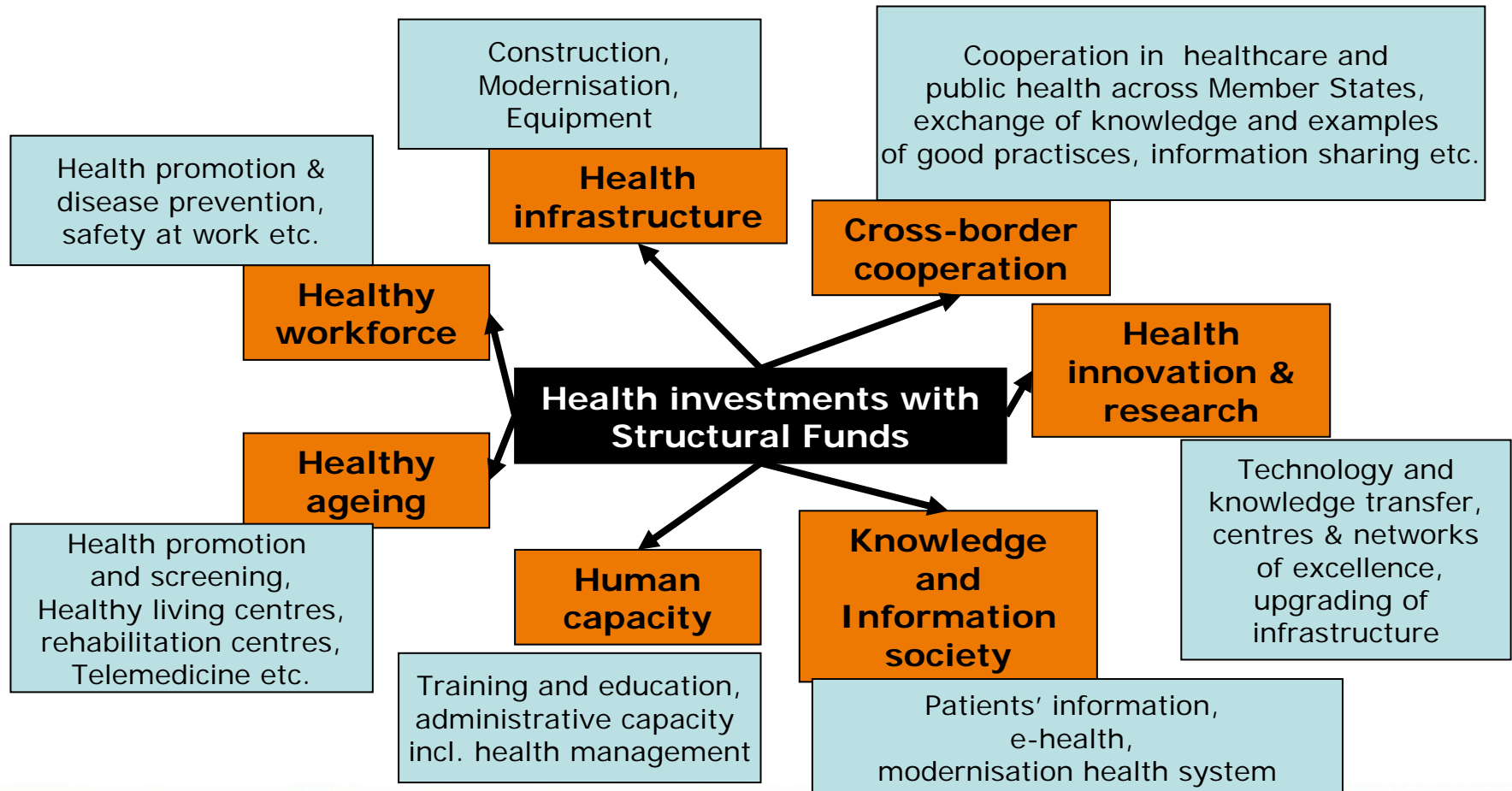


Standardized mortality
per 100.000 inhabitants
2003-2005, Germany,
NUTS 2

Interim Conclusions

- Economic and social conditions correlate with the health status of populations.
- There are differences between and within EU Member States.
- EU Structural Funds (EU SF) aim to close the gaps – preliminary economic and social gaps, but now also explicit health gaps.
- Interrelations between “wealth” and health are focused.

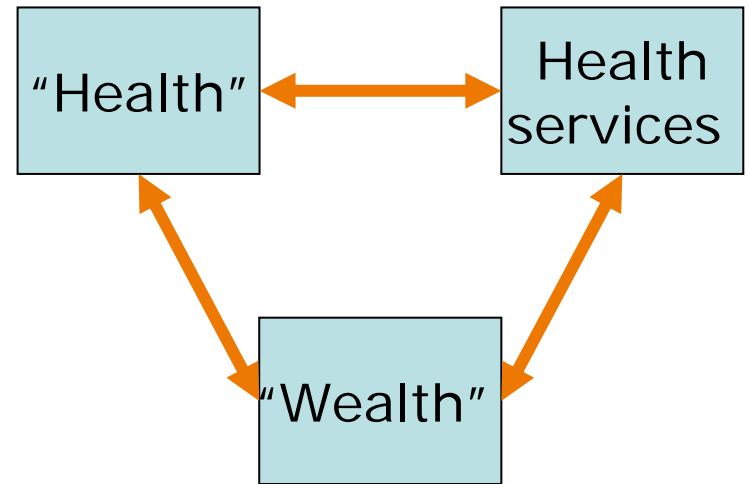
Potential areas for investments in health



DG SANCO (2007): Factsheet. Funding health in your region. European Communities

“Health is wealth”

- Economical, social and environmental determinants influence health
 - Investments in economic prosperity and employment as investments in health
- Health influences economy, employment, wealth
 - Investments in health and health services as investments in wealth



Challenges: Different perspectives?

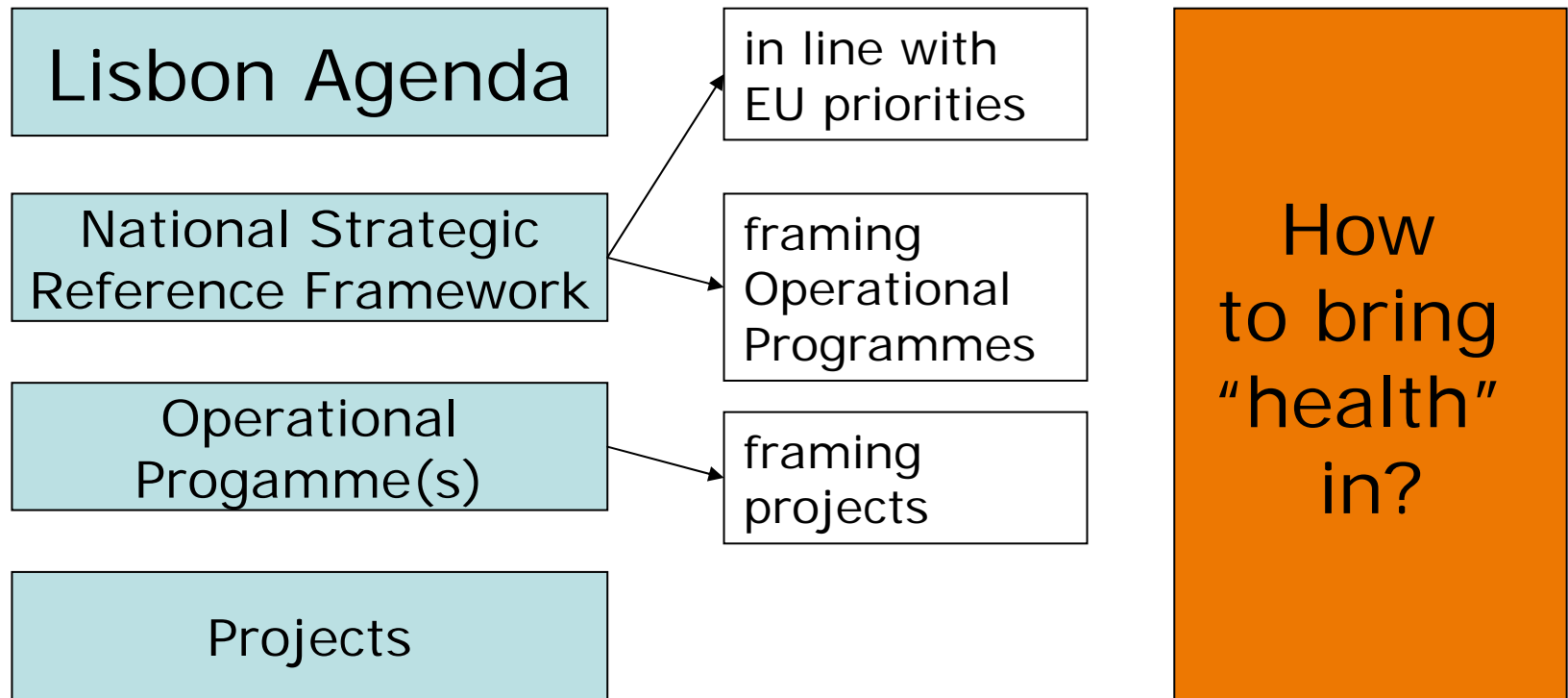
- To link investments in health (infrastructure) with priority objectives for economic prosperity, employment, cohesion and closing gaps in the health of populations.
- To link professionals and perspectives from different policy fields.
- Economy, health management and public health: different “worlds” with
 - different rationalities,
 - interests,
 - power resources?

The health sector has to learn a new game?

Challenge: Different perspectives?

- Curative medical services are important, but prevention, health promotion and “health in all policies” are important, too.
- There are strong interests and incentives to invest in health service infrastructure (e.g. hospitals) and in products and services which can be exported or used to bring money into a region (health services, pharmaceuticals, medical technologies, wellness).
- These strategies are not necessarily linked with a public health oriented perspective.

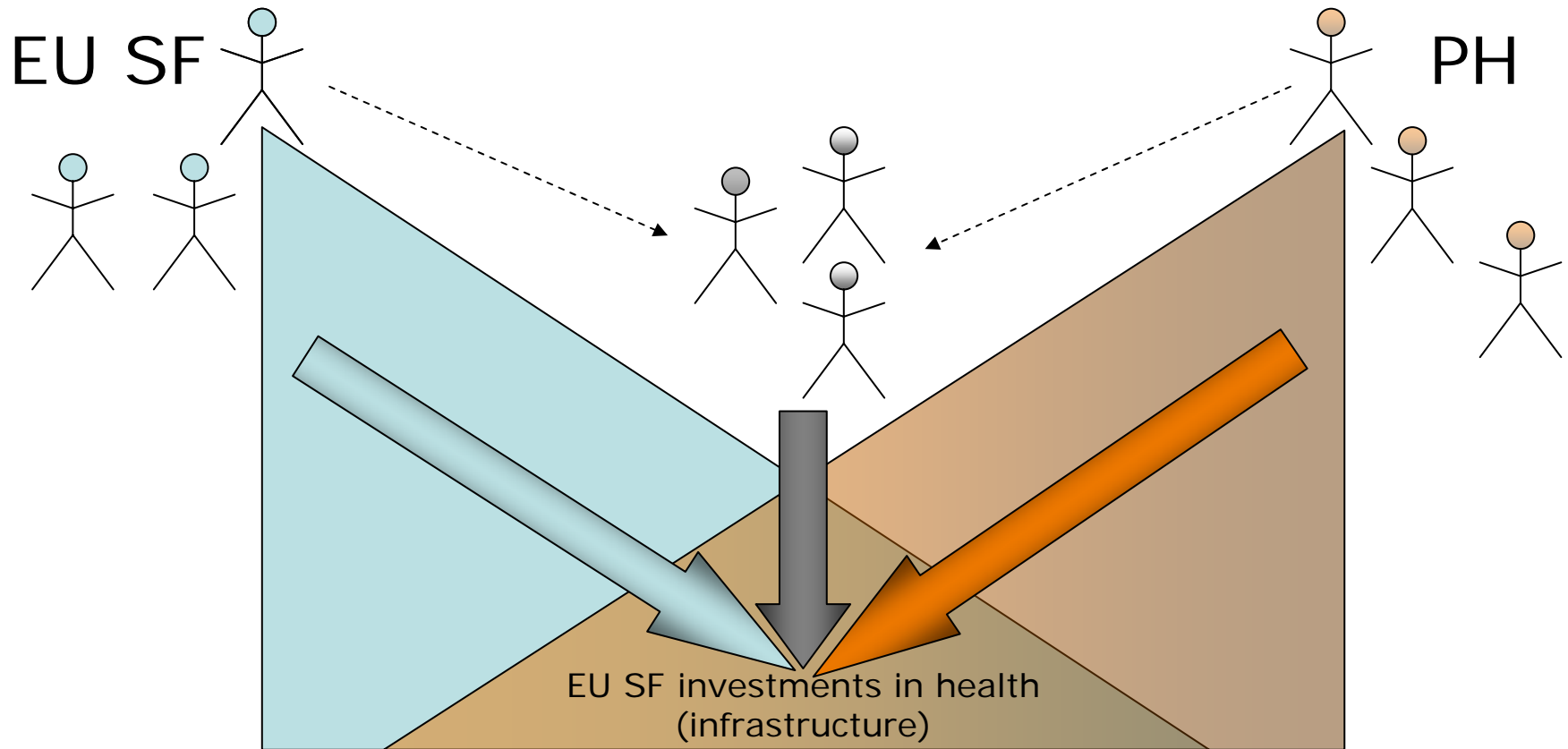
Challenge: How to bring "health" in?



Challenge: How to build capacities?

- How to build capacities
 - that programme management authorities can push for and support the development and realization of projects for investments in health?
 - that projects for investments in health are linked with EU SF rationalities?
 - that projects meet the health needs of populations?
 - that projects are developed and realized successful, effective, efficient and sustainable?

The Master Class: Aims



The Master Class: Aims

- For the 2007-13 EU SF period, programmes and many projects are already in place.
- Therefore: Supporting existing programmes and projects in planning, implementation and sustainability by
 - learning from experiences with investments in health (infrastructure)
 - learning from experiences with EU SF policies, regional development, investments in health, capacity building
 - mutual learning, information/knowledge exchange and dissemination
 - reflecting programme management structures

The Master Class: Agenda

- EU SF policies: Opportunities and challenges for investments in health (infrastructure)
- The changing context of
 - health care (e.g. demographic and epidemiological developments)
 - investments in health infrastructure
- Project development
- Design of health services and facilities
- (The Hungarian context)

The Master Class: But...

- The “system” (regulations, functions, incentives) influences resources, power, interests
- Let us
 - use Master Classes and Workshops also to learn from our experiences with the former and current systems linked with EU SF policies to
 - develop recommendations for the next EU SF period.

Learning from the past

- How and with which effects (impact, added value) have EU SF policies been conducted?
- Why and with what effects have EU SF policies been reformed?
- How is the actual status of programme development and implementation?
- What conclusions can be drawn for health related projects?

before 1988 reforms

period 1989-1993

period 1994-1999

period 2000-2006

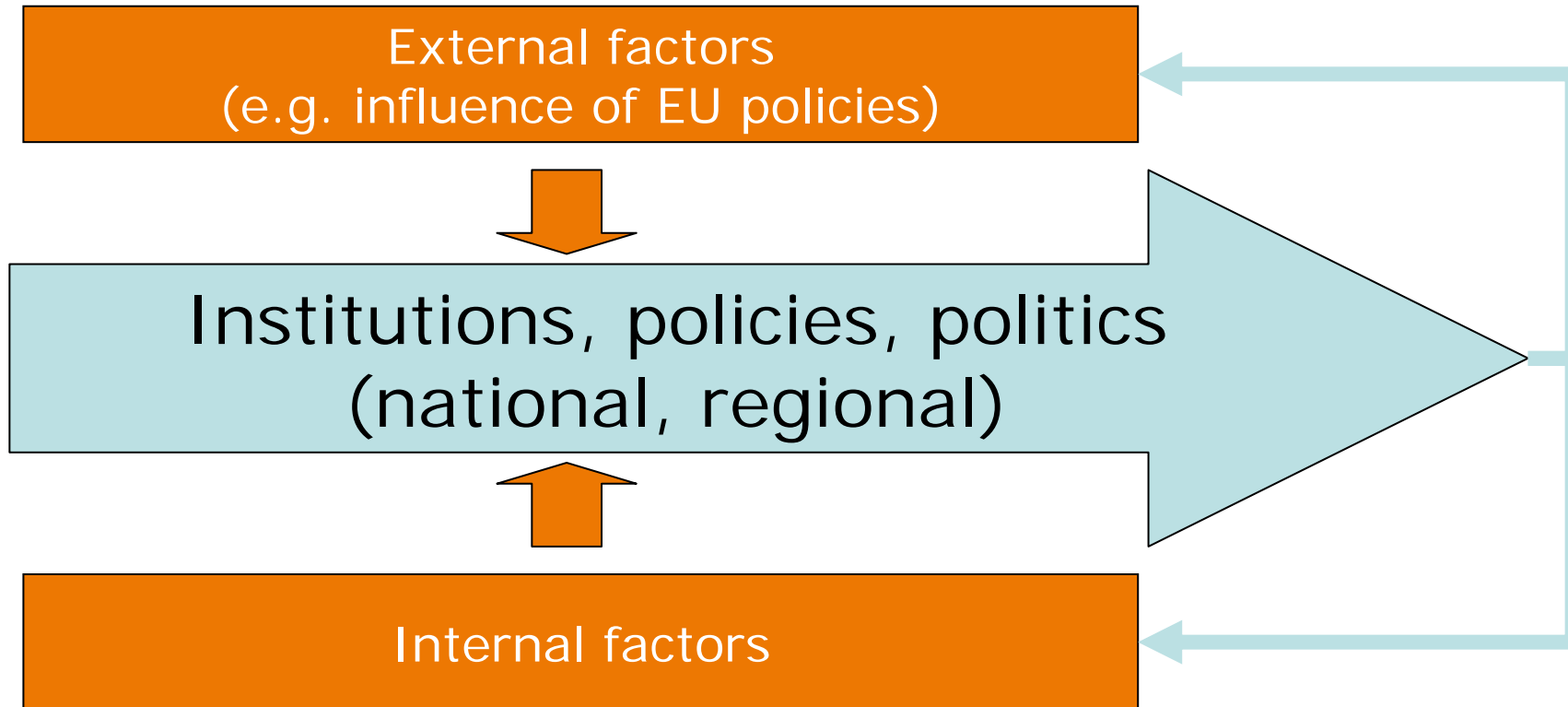
period 2007-2013

...

EU SF: Impact/added value

- Economic prosperity, employment, income, cohesion (economic/social disparities, macro-economic impact, employment, education, environmental performance, R&D)
- Policy (stronger accent “employment”/fighting unemployment, additional expenditures, private sector leverage, stable medium-term framework, higher profile of regional policy, strategic coherence, policy innovation, resource allocation ...)
- Implementation rules (partnership arrangements, project generation, monitoring frameworks, education culture, audit/control)
- Learning (exchange of experience, networking, dissemination of good practice)
- Visibility (enhanced participation of local actors, business, society)
- Political effects (from market integration to mutual solidarity and a united political future, motivation for EU membership)
- Conceptual Thinking (“Europeanization”, “Multilevel-governance” and “social partnership”, Regionalization / “Europe of regions”)
(Leonardi 2006; Mairate 2006)
- **Conclusions for investments in health infrastructure?**

“Europeanization”



“Europeanization”

- Is there central penetration of national systems of governance by EU governance / policies?
- If yes: How can it be explained (factors)?
- How do institutions / established patterns change?
- What can we learn from the concept “multilevel governance approach” (which originates in the analysis of EU SF policies)?
- What can we learn from the debates about regionalization and studies over regional authority?

“Capacity building”

- Experiences with Phare (“Poland and Hungary: Aid for Economic Restructuring”) as part of pre-accession aid for Candidate Countries
- Difference between institutional *capacity* and the institutional *capability* to carry out policy making effectively or implementing tasks were set up for (Bailey/Proprius 2004: 88 f.)
- Problems:
 - Low morale and pay
 - Job turnoffs
 - High job turnover
 - Overburden
 - Sustainability
- **What about today? Will those problems effect projects for investment in health (infrastructure)?**

Programme implementation (autum 2008)

- Challenges (1):
 - New/high demands for EU SF funding (rules, delivery structure, monitoring systems)
 - High demand for funding
 - information and awareness rising activities
 - varied quality of applications (deficits e.g. links with priorities, co-funding requirements, legal standard requirements)
 - Administration and implementation issues
 - high number of projects
 - staffing level, skills, expertise
 - Data/indicators for monitoring
 - Demanding and time consuming closure of old projects
- (Vironen/Kah 2008)

Programme implementation (autum 2008)

- Challenges (2):

- Delays:

- delayed approval Operational Programmes
 - pending approval of the Management and Control System
 - unrealistic spending plans
 - spending problems
 - exchange rate fluctuations

- Spending concerns, partly due to the $n+2$ ($n+3$) rule

(Vironen/Kah 2008)

Evaluation/monitoring: Trends

- “Since the reform in 1988, successive phases of regulation have created an increasingly rigorous system of appraisal, monitoring and evaluation covering all EU-funded regional development interventions.”
- Trends
 - Evaluation has been fully integrated in the programme cycle
 - Better range and quality of information
 - Trend from externally exposed to internally driven evaluation (evaluation more accepted as management tool)
 - Partnership principle (evaluation as a communication tool)

(Bachtler/Wren 2006: 143 ff.)

Evaluation/monitoring: Problems

- Problems
 - Data quality
 - Differences in collection and utilization of data
 - Difficulties to evaluate (the impact of) complex programmes/projects
 - It has been criticized that until now the evaluation framework for Cohesion policy has been limited to the core purposes accountability, improved quality and performance, and improved planning, while other potentially useful functions like capacity building and learning have been neglected.

(Bachtler/Wren 2006: 147)

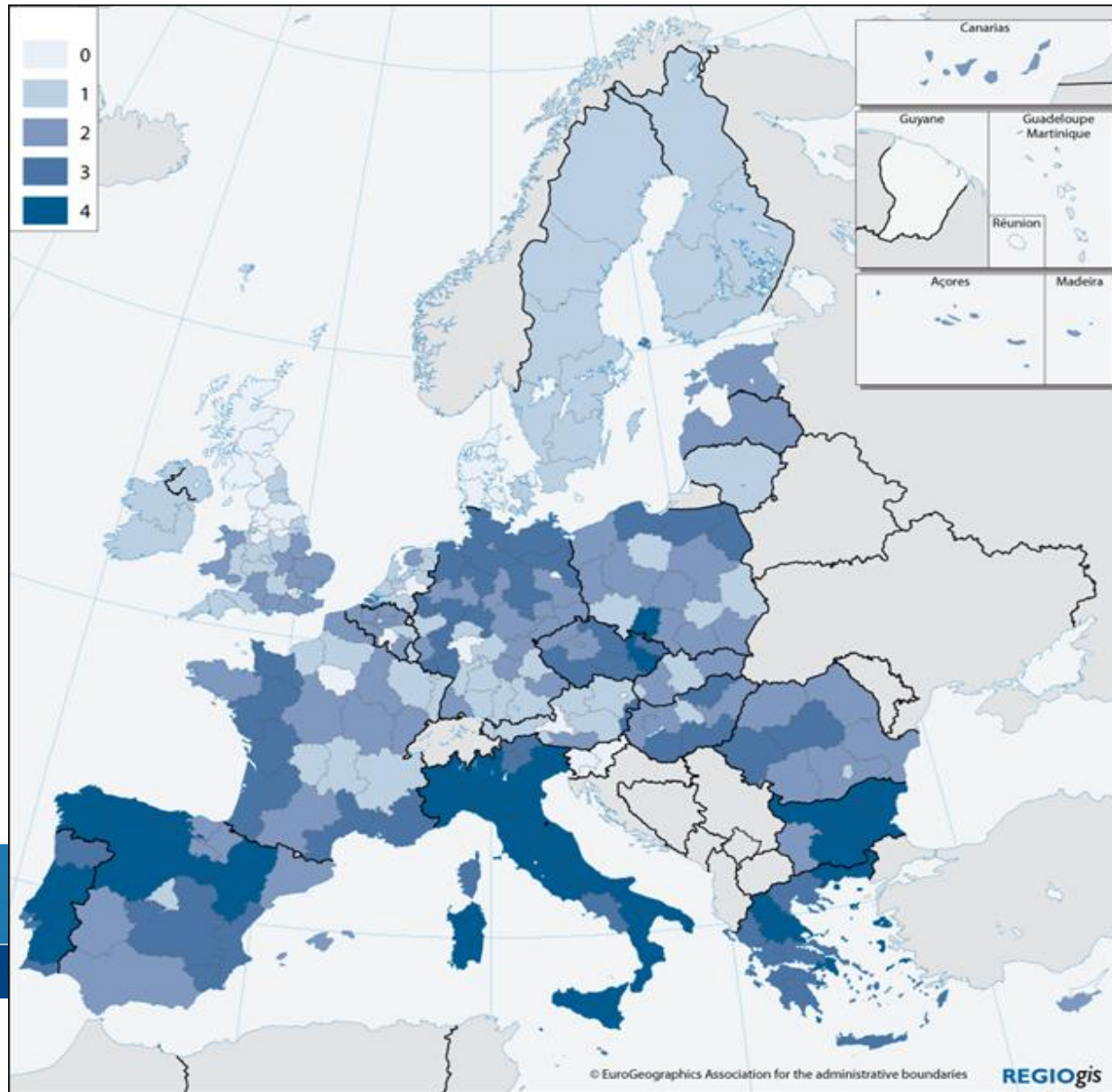
Evaluation/monitoring: Problems

“[...] experience suggests that the existing monitoring arrangements and practices [...] focus overwhelmingly on issues of financial management, and in particular on trying to ensure the absorption of the Structural Funds resources rather than on strategic management. This focus influences the decision-making process, contributing to a tendency for resources to be spent where their absorption is ‘tried and tested’, but which militates against more innovative approaches and strategic directions.”
(Mairate 2006: 174)

Evaluation/monitoring: Recommendations

- Strengthen the links between capacity building and learning
- Strengthen project evaluation
- Present findings early in the programming process

Multiple challenge vulnerability index



Multiple Challenges

- Southern, western coastal and central regions in Germany and New Member States are strongly affected
- North-Western periphery regions are less vulnerable

The Barca Report (2009) conclusions

1. There is a strong case for allocating a large share of the EU budget to a “place-based development strategy”
2. Cohesion policy provides the appropriate basis for this strategy, but a comprehensive reform is needed
3. The reform requires:
 - a renewed policy concept
 - a concentration of priorities
 - a change of governance
4. Three conditions for change to happen:
 - a new high-level political compromise is needed soon
 - some changes can/should start in this programme period
 - the negotiation process must be adjusted

Lessons from Cohesion Policy performance

2. A comprehensive reform is needed, for the following reasons

- a failure to adopt coherently a place-based perspective
- a lack of focus on priorities and a failure to distinguish between economic and social objectives
- a failure of contracts to focus on results and to create adequate incentives to use resources effectively
- methodological problems in the use of indicators and the evaluation of impacts
- a remarkable lack of political debate on results

5 principles

- Concentrating resources
- Orienting grants to results
- Mobilizing and learning
- Strengthening the Commission
- Reinforcing political checks and balances

The Report, the transcripts of the Hearings, the summaries of the Seminars and the Working Papers are available on:

http://ec.europa.eu/regional_policy/policy/future/barca_en.htm.

Conclusion (1)

- As far
 - as EUREGIO III is about the effective and efficient planning and realisation of existing programmes and projects and
 - as far as there are no differences between investments in health (infrastructure) and other projects financed by the EU SF

we can learn a lot from the analysis of EU SF policies over the last decades.

- Challenges to be discussed:
 - EU SF context
 - EU SF impact/added value
 - Europeanization
 - National/regional capacities
 - Evaluation/monitoring

Conclusions (2)

- But there are also specific problems linked with investments in health (infrastructure).
- It necessary to identify and learn from case examples of investments in health infrastructure as examples for opportunities and challenges.
- It is also to necessary to take actual economic and financial developments into account.

Conclusions (3)

- The Master-Class
 - addresses these developments
 - delivers case studies
 - gives support to ongoing programmes and projects
 - informs about structural problems in the framework of EU SF policies to inform the next period of EU SF policies
 - and takes ethical considerations into account.

Some ethical considerations

- Their might be conflicts between investments in health, the values of the EU Health Strategy (access, diminish inequalities), economic prosperity and employment.
- The orientation towards investments in health for the sake of regional development and economic prosperity must not result in the discrimination of vulnerable, not so “productive” population groups.
- The argument that investments/spending in health (services) can contribute to economic prosperity is often linked with the assumption that more private spending is needed.

Questions for discussion

- Is it right to believe that the health sector will have a major impact on economic prosperity in future?
- What will be major future challenges for public health, health services and investments in health?
- In terms of SF programme implementation:
 - Are the challenges identified in this presentation still in place?
 - How do they affect investments in health (infrastructure) by EU SF?
 - What can be done to overcome the challenges?
 - What can be done by EUREGIO III?