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Study Raises Questions About Measurement Of 'Additionality,' Or Maintaining Domestic Health Spending Amid Foreign Donations

ABSTRACT Donor nations and philanthropic organizations increasingly require that funds provided for a specific health priority such as HIV should supplement domestic spending on that priority—a concept known as “additionality.” We investigated the “additionality” concept using data from Honduras, Rwanda, and Thailand, and we found that the three countries increased funding for HIV in response to increased donor funding. In contrast, the study revealed that donors, faced with increased Global Fund resources for HIV in certain countries, tended to decrease their funding for HIV or shift funds for use in non-HIV health areas. More broadly, we found many problems in the measurement and interpretation of additionality. These findings suggest that it would be preferable for donors and countries to agree on how best to use available domestic and external funds to improve population health, and to develop better means of tracking outcomes, than to try to develop more sophisticated methods to track additionality.

In the health sector, donor nations and philanthropic organizations are increasingly requiring that countries receiving aid should respect the principle of “additionality.” That is, funds provided to a country’s health sector for a specific priority should supplement domestic spending on that priority. Donors’ concern is that when governments consider resources to be “fungible,” or interchangeable with other funds donated, they may respond to the provision of external resources for a specific priority area by diverting government spending away from that priority to other needs.

The additionality concept has emerged as an issue in conjunction with important new sources of global health financing and related concerns with improving the effectiveness of aid. Funders’ concern about additionality has assumed greater prominence since the 2001 inception of the Global Fund to Fight AIDS, Tuberculosis, and

Malaria, a source of massive financial assistance to nations for combating those three diseases.¹⁻³

Additionality has been mentioned often in documents from a variety of other international funders. These entities include the Stop Tuberculosis global drug facility, a mechanism to expand access to and availability of high-quality antituberculosis drugs and diagnostics; the European Commission; and the joint International Monetary Fund/World Bank Highly Indebted Poor Countries Debt Relief Initiative, which provides debt relief to the most highly indebted poor countries.⁴⁻⁸ In the context of the last example, the Debt Relief Initiative, *additionality* means that debt reduction in these countries should be provided alongside existing foreign aid resources that countries receive.

The issue of additionality focuses on the following question: Is foreign aid being used to increase the amount of resources devoted to an area of need, as expected by donors, or are

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