

Health: Supporting Systemic Change in a New Global Context

Development assistance for health has changed dramatically in the last five years. New global health initiatives, organizations and private financing sources have significantly increased the total volume of aid, creating an enormous opportunity for the Bank and global partners to improve health conditions in low-income countries. Most of the initiatives and new funding are for specific diseases such as The Global Fund to Fight AIDS, TB and Malaria, the United States President's Emergency Plan for AIDS Relief (PEPFAR) and others. Much less is available for strengthening health systems, which is now seen as the key constraint to improving the effectiveness of disease-specific, "vertical" assistance.

IDA, the World Bank's fund for the world's poorest countries, has a strategically crucial role to play in strengthening health systems. IDA is equipped to supply the sustained, long-term, system financing—combined with technical assistance—which is needed to build stronger health delivery systems in developing countries. Expanding implementation capacity of the health sector and improving the quality, efficiency and reach of services is necessary for targeted programs to achieve adequate scale and to be sustainable.

At a Glance

- Child mortality in IDA countries has declined from 132 deaths /per 1,000 children under the age of five in 1995 to 117 deaths in 2005. But 80 percent of IDA countries will not reach their child mortality targets by 2015.
- Between Fiscal Years 2004-06, IDA projects have trained 78,000 health professionals, de-wormed 67,000 children and helped produce 10 million insecticide-treated bed-nets.
- IDA lending for health has averaged US\$740 million over the last 10 years.
- Overall development assistance for health more than doubled in five years and reached US\$14 billion in 2006, mostly from global health partnerships, bilateral funds and private foundations.

The Bank’s new Health, Nutrition and Population strategy is designed for the new global context. It calls for IDA to support country-driven programs that will demonstrate results on the ground, and to concentrate financing on IDA’s areas of comparative advantage—health system strengthening and governance, health finance reform, and targeted assistance and insurance mechanisms to protect the poor from health risks and financial shocks.



A CHANGING CONTEXT

Despite steady improvements in child mortality in IDA countries (collective rates dropped from 132 deaths/1,000 births in 1995 to 117 in 2005), more than 80 percent of IDA countries are off-track on the child mortality Millennium Development Goal and a high share are also off-track on targets for malnutrition and maternal health, particularly in Africa.

Progress in major communicable diseases (HIV/AIDS, tuberculosis, malaria) is another critical health and development issue. UNAIDS reports that the annual number of

new infections of HIV has peaked globally, but there remains an enormous burden of disease, especially in Africa, and significant challenges for increasing access to prevention, care and treatment on a continent with very weak health systems. Also in Africa, the tuberculosis epidemic, which is the leading cause of death among HIV-infected patients, has worsened and needs to be vigorously addressed. Malaria continues to exert a major health and economic toll on vast populations in Africa and South Asia, and the resistance of the parasite to the cheap drug chloroquine makes the large scale-up of control measures even more urgent.

Reaching Key Goals			
	Progress of IDA countries as of September 2006		
	Malnutrition	Child mortality	Attended Births
Achieved	4%	0%	21%
On track	12%	16%	4%
Off track	16%	35%	12%
Seriously off track	35%	48%	40%
No data	33%	1%	23%

IDA CONTRIBUTIONS

IDA lending for the health sector over the past 10 years has had mixed success. Projects managed by the Bank's Health, Nutrition and Population (HNP) sector have approached the Bank average in satisfactory or higher ratings, according to the Bank's Independent Evaluation Group. However, in some priority areas, such as child health, IDA's project ratings have been well below the Bank average. The sustainability rate of these projects has also been inadequate.

A review of project implementation completion reports for Fiscal Years 2003–05 showed inadequate attention to monitoring and evaluation: few projects measured changes in health services (42%), health financing (17%), or health status (33%). The most recent projects, however, and those involving sector-wide approaches (known as SWAps) or contracting, were more likely to do so. IDA's comparative advantage has not been fully or consistently exploited in HNP. But the Bank's new HNP strategy is focused on rectifying this, as IDA has a critically important role to play in the new global health environment.

In financial terms, IDA has become a relatively small player in the global aid-for-health architecture, but its strategic interventions provide an indispensable foundation for effective aid and lasting progress.

Over the past five years, development assistance for health has raised from US\$6 billion to almost US\$14 billion per year. Most of the increase comes from large global health partnerships such as The Global Fund for AIDS, Tuberculosis and Malaria (GFATM), and The Global Alliance for Vaccines and Immuniza-

tion (GAVI), and bilateral funding such as the United States President's Emergency Plan for AIDS Relief and the United States President's Malaria Initiative, and large foundations such as the Bill and Melinda Gates Foundation.

With annual lending of US\$740 (plus or minus 125 million per year) over the last 10 years, IDA has become a niche player on the global health scene in financing terms. However, it remains a linchpin in strategic terms. IDA is positioned to supply three areas that are critical for improved health outcomes in low-income countries, and for making aid from other sources more effective and sustainable.

1. Sustained, long-term support and capacity-building.

Developing country health systems in an efficient, sustainable and equitable way requires strong links with the country's macroeconomic framework, particularly because of the importance of recurrent costs in the sector.

IDA has a good understanding of how to address major public sector management constraints and partnerships with the private sector, and the ability to provide targeted support towards the main systemic constraints, from investments in infrastructure to addressing human resources issues or pharmaceutical shortages.

Few other development partners are able to address systemic constraints related to the large private markets in health, or to civil service reform in the public sector, both critical to the delivery, regulation, and financing of services. In all these areas, IDA is in a very strong position because of its permanent

comprehensive dialogue with governments, and particularly Ministries of Finance.

2. Integrated assistance across sectors.

In health more than other sectors, progress on key goals—such as lower child and maternal mortality, and the control of malaria, AIDS and other communicable diseases—also depends on changes in education, water, sanitation and other sectors in addition to health.

An increasing share of IDA support for health comes through Poverty Reduction Support Credits (PRSCs) and other instruments which encourage better planning of a country's cross-sectoral investments and better sequencing of policy actions required for key results.

IDA assistance for health has been particularly successful when lending operations are grounded in good analytical work, strong sectoral policy discussions and in-depth knowledge of other sectors' constraints and the mechanisms of individual financing system. The Kyrgyz Republic and other cases discussed below are good examples of this comprehensive approach.

3. High-quality policy advice, grounded in global experience.

Health is a complex sector, where understanding incentives, behavior, and demand for services is key, and where blueprints from one country cannot be simply transplanted to another country. Local customizing, coupled

Must-read Analysis

The Bank's analytical depth and global experience serve to guide the design of innovative health policies in IDA borrowing countries.

- The recently published *Disease Control Priorities in Developing Countries* (2nd edition) updates work also done by the Bank in the 1990s that is widely used by clients to identify and prioritize cost-effective health interventions and to design essential packages of health care.
- *Reaching the Poor with Health, Nutrition, and Population Services* has brought a sharp focus on issues of inequality in health.
- *Health Financing Revisited* highlights key lessons in health financing and provides policy recommendations based on underlying economic principles, political environments, sound economic conditions and institutional circumstances.
- *The Millennium Development Goals for Health: Rising to the Challenges* has pushed the policy agenda on how to reach global health goals.
- *Improving Health, Nutrition, and Population Outcomes in Sub-Saharan Africa* has set the analytical and strategic basis for Bank operations in Africa, which are further supported by country health and poverty status reports.

Other country-based analytical work has been instrumental in improving policy dialogue and the design and implementation of HNP programs.

- *Better Health Systems for India's Poor* prompted the government to pay more attention to issues of equity, the role of the non-state sector, and alternative approaches to health financing and organization in its health policy.
- *Health Sector Reform in Bolivia* has helped to keep a focus on extending health insurance to women, children, and to the poor.
- *Counting on Communication* demonstrates how strategic communication can enhance participation and effectiveness of nutrition and early childhood development in Uganda.

with monitoring, evaluation and knowledge-sharing systems, are needed.

Rethinking health provision.

Health system improvement in many countries will require changed incentives for providers and stronger systems for monitoring and disclosing how health services most effectively reach clients, particularly the poor—a key conclusion of the 2004 *World Development Report*.

Recent IDA-supported programs in countries as diverse as Afghanistan, Bolivia, Pakistan, Senegal and Uganda are testing alternative ways of contracting providers. More work is needed in order to build a body of knowledge on the private sector in health, but early results with contracting show improvements in coverage, quality, and accountability of health services. Rigorous evaluations of programs supported by the International Bank for Reconstruction and Development (IBRD), the World Bank's lending arm for wealthier countries, such as the innovative Argentina Maternal Child Health program linking financing and performance, also provide a rich in-house evidence base and implementation experience that IDA draws on.

These areas of comparative advantage are the basis for the leadership role IDA plays on the global level.

IDA has helped create and govern the main global partnerships such as UNAIDS, GFATM, GAVI, and the Health Metrics Network, among others. It has emphasized the linkages between poverty and health, and stressed the importance of connection to countries' broader development. Work on health systems and financing requires a coordinated

approach with other development partners, especially the new single-purpose funds, and partners look to IDA for leadership on this.

Innovation and scale.

IDA was instrumental in the early design and development of sector-wide approaches (SWAps)—that reform entire sectors unlike incremental, project-based interventions—and later Poverty Reduction Support Credits (PSRCs).

IDA support for health has been most effective in countries where a full range of lending approaches has been being used over a sustained period, such as in Bangladesh, Ghana, Mozambique, and Tanzania. Each of these countries has used IDA to strengthen their capacity to implement health, nutrition and population programs and manage development assistance for health, and each is showing improvements in health services and outcomes.

Doctors and Nurses

Complementing investment lending with budget support from PRSCs helps to finance critical recurrent costs in the sector, such as the cost of human resources, which is often the biggest constraint to increasing coverage of health services, and which is often not covered from other sources of development assistance for health.

Among recent projects, the [Kyrgyz Health Sector Reform II Project](#) used strong dialogue focused on overall sectoral issues and collaboration with government and other partners to pave the way for comprehensive changes that improved the oversight and coherence of health financing and implementation. This SWAp led to the expansion of basic primary

health care coverage to 98 percent of the population, improvements in health service quality and equity, a shift towards a modern family doctor model, more money allocated to direct patient care, and reductions in informal payments.

Rwanda is another recent example where IDA has used a combination of PRSCs and an institutional reform credit to support a broad development program that improved spending on social sectors and promoted institutional reforms needed across sectors. In the health sector, IDA supported reforms that linked financing to the delivery of health services, developed health insurance mechanisms benefiting the poor, and transformed health organizations to be more accountable for results. This has contributed to high immunization rates, increased coverage of health insurance and health services, and a decline in HIV prevalence.

The Malawi Population and Family Planning Project is an example of a Learning and Innovation Loan where IDA resources were used to pilot test an innovative service delivery strategy—community-based distribution of contraceptives. Comparing pilot and control districts, this carefully monitored project demonstrated significant improvements in attitudes to family planning, increased access to services, and increases in contraceptive prevalence (from 1 percent to 36 percent in pilot areas).

IDA has also used its experience with systems to help governments scale up innovative approaches. The India Cataract Blindness Control Project is an example where low-cost surgery for cataracts was developed through pilot projects. The IDA project was used to rapidly expand services through non-govern-

mental and public sector systems, leading to a sustainable program for cataract blindness, and directly providing 15.3 million cataract operations (over half going to vulnerable populations) and improved surgical outcomes.

India's Tuberculosis Control Project has a similar expansion story. Directly observed therapy (DOTS) was extended to most of the country through the project after IDA was able to facilitate capacity development of state- and local-level public health agencies. The project ended up surpassing its targets by providing treatment for over 1.8 million TB patients and achieving cure rates of 86 percent.

In both India projects, success was achieved through extensive efforts to build management capacity and use of independent monitoring and evaluation to track performance and feed back results.

A STRATEGIC SHIFT

The Bank's new HNP strategy concludes that Bank assistance in the past has placed too much emphasis on input management rather than on what health systems are supposed to produce—better performance of health organizations and measurable improvements in health status.

The new strategy squarely identifies and focuses on IDA's comparative advantages in a changing global environment, concentrating on areas of health policy, particularly in health systems financing and organization. Where these principles have been followed, as in the examples mentioned above, IDA has had an impact on health system performance and health outcomes.

The overarching goal of the new strategy is to ensure that IDA clients are able to achieve HNP results, particularly for the poor. Under the strategy, lending will focus less on input financing and more on creating incentives for key results—clear and measurable objectives for health service delivery and for important health outcomes at both the national and sub-national level.

To underpin this shift, IDA is increasingly encouraging countries to carry out rigorous impact evaluations of HNP innovations and programs, in addition to building up effective monitoring and evaluation systems in countries. At the country level, IDA will support coherent health sector planning and sustainable medium-term financing, and play a leadership role in promoting more harmonized donor support.

Hot Button Issues

- **How to address volatile and insufficient financing for health.** IDA takes the view that a country's broad planning and financing instruments are needed to help countries define their fiscal space and address distortions created by development assistance for health.
- **Whether to use cost-recovery for health services.** Preventing poverty caused by illness will be a key strategic objective for IDA in the coming decade. Out-of-pocket financing, including user fees, can contribute to impoverishing households. Improving financial protection requires that IDA provide sound policy advice to client countries to reduce out-of-pocket expenditures in feasible and fiscally sustainable ways.
- **How to address health workforce shortages in IDA countries.** Health workforce shortages in low-income countries will not be resolved on the supply side only (i.e. training new providers). IDA can aid countries in analyzing labor markets in health, and developing feasible and innovative strategies to influence health worker recruitment, retention, and performance in both public and private sectors.
- **How to produce a platform for the effective use of single-purpose disease, “vertical” programs by strengthening health systems.** Both single-purpose and broad approaches are needed in health; vertical programs raise attention to key health issues and increase accountability for results, but they will not be effective or sustainable without simultaneous expansion and strengthening of core health service delivery. Assistance through vertical programs must also be anchored in country-led collaborative processes that bring donors together in a coherent program of support which reflects national health priorities.

IDA has a unique role to play in such processes. IDA has the capacity to support effective health sector planning and fiscal analysis, and commands the respect with other donors needed to promote harmonization and lower the transactions costs of assistance in health.

- **How to support sexual and reproductive health in a context of polarized views on reproductive rights.** IDA will provide financing and advice that fully supports the International Conference on Population and Development (ICPD 1994). This means that health systems should provide services that include family planning, prevention of unwanted pregnancy and unsafe abortion and dealing with their consequences, safe pregnancy and delivery, postnatal care, prevention and treatment of reproductive health infections and sexually transmitted diseases, including HIV/AIDS. Reproductive rights includes the promotion of gender equality, the prevention of violence against women, access to information and services on reproductive health care, and inclusion of youth in sexual and reproductive health programs.
- **How to address poor governance.** To combat corruption and poor governance in health, multi-pronged approaches are often needed. In addition to strengthening health regulatory agencies, IDA can assist governments in analyzing and using market incentives and disincentives, tools for disclosing information, and new models of collaborative regulation involving the public, provider organizations, civil society organizations, and state agencies.

A clear results framework

By the end of the IDA15 period (2008-11), IDA should have systematic measures of how client countries are performing in the health sector, and how IDA is contributing. The goal is measurable progress in each of four strategic policy areas: (1) improving the aggregate level and distribution of HNP outcomes; (2) improving household financial protection in health; (3) ensuring financial sustainability of national HNP systems; and (4) improving governance in the health sector.

These strategic objectives include a number of specific commitments by which IDA intends to demonstrate how it contributes to these results.

More resources for IDA are needed to support the expansion and strengthening of health systems and financing in countries. Without such system expansion, vertical health programs will simply compete with each other for limited pools of health providers, and aggregate health outcomes will not improve.

IDA has the ability to support core system planning and strengthening, and to identify and support the cross-sectoral investments needed for producing results. Expanded IDA capacity for HNP support is a critical complement in the new global health environment if global resources for health are to achieve maximum impact and sustained results.

March 2007.

<http://www.worldbank.org/ida>