



## SECTOR BRIEF

### HEALTH IN MENA

#### MENA Health Reform Priorities

##### Efficiency

- Capacity development involving employment of multi-disciplinary and technically skilled staff
- Continuous and accurate data collection for decision-making
- Coordination among public and private stakeholders for improved policymaking

##### Delivery

- Decentralization of management.
- Accessible and available distribution of human and physical resources
- Assurance of health system capacity to correspond to health system needs
- Pharmaceutical sector reform

##### Financing

- Assurance of access and affordability through "risk pooling" and public/private financing mechanisms
- Assurance that financing mechanisms are equitable, efficient, and easily administered
- Development of new provider payment mechanisms that contain incentives for access, efficiency, and quality

##### Health Outcomes

- Better targeting of interventions for prevention and treatment
- Implementation of culturally appropriate reproductive health policies
- Implementation of effective environmental and occupational health policies

***Over the last two decades, the MENA region has made significant improvements in health outcomes, particularly through reduction in mortality rates among infants and children, but faces new health risks that could threaten investments in human capital and compromise social welfare.***

***Declining mortality rates.*** Despite the modest economic growth rates over the past two decades, the MENA countries have achieved notable improvements in the health status of their citizens, as evidenced by an almost ten year increase in life expectancy between 1980 and 2003 (an average life expectancy of 59 years in 1980 to 69 years in 2003) and halving of infant mortality rate over the same period (from 90 deaths per 1,000 live births to about 40 per 1,000 live births). These health improvements have been achieved primarily through reductions in mortality and morbidity due to communicable diseases, and reflect overall improvements in hygiene and infrastructure as well as access to basic health services.

***Declining fertility rates.*** Many countries in the region introduced active population policies that have contributed to significant reductions in total fertility rates, starting from a regional average of over 6 births per women in 1980 to just below 4 births per women in 2003. Concurrent improvements in girls' access to education and female participation in the labor force have likely contributed to reductions in family size. But MENA region was a relative latecomer to demographic transition, and the average total fertility rate remains significantly higher than that of other developing regions at comparable income levels (for example, developing countries of East Asia and Latin America have average total fertility rates of just over 2). Furthermore, as the decline in fertility rates has lagged behind decline mortality rates, the region is now faced with a rapidly expanding youth population. The resulting "youth bulge" represents both an opportunity and a challenge to social and economic growth (see MENA Social Protection Strategy).

***Epidemiologic transition.*** The relative size of the elderly population will remain low in the medium-term in the MENA region. However it is estimated that the average share of non-communicable diseases will rise from the current 45 percent of the disease burden to 60 percent by 2020 as the result of increasing urbanization, changing lifestyles and the declining prevalence of communicable diseases. Moreover, the number of deaths attributable to road accidents is increasing in the MENA region (the region has among the highest road accident rate in the world, second after Sub-Saharan Africa) and injuries as a share of the disease burden is expected to double from the current 13 percent to 21 percent by 2020. Accidents, violence in the region, as well as disease and congenitally caused disabilities, result in a disability prevalence rate currently estimated between 3.5 to 10 percent in many of the MENA countries.

***Emerging diseases.*** Although HIV/AIDS prevalence in the general population remains low in the region, there are indications that HIV is spreading among high risk groups. For example, the rise in drug trafficking in Afghanistan is leading to increasing number of intravenous drug users in the neighboring countries such as Iran. This, in turn, is contributing to the spread of HIV/AIDS and associated diseases such as tuberculosis. Djibouti is already facing an HIV/AIDS epidemic in the general population. Unless strong and decisive preventive measures are taken now, the rest of the MENA region will likely face a rapid spread of HIV/AIDS into the general population in the near future.

*Addressing the rising cost of health care.* The changing epidemiological profile of the population will bring about a profound shift in both the demand and supply of health services in the region. Diagnosis and treatment of non-communicable diseases and acute injuries often involve complex and costly interventions, and the rapid pace of innovations in medical technology is continually expanding the spending horizon. On average, countries in the region are spending around 5 percent of GDP on health care, but some countries are higher. Lebanon and Jordan for example, are already expending 11.5 percent and 9.3 percent of GDP, respectively, on health. In the coming decade, the MENA countries will continue to face strong upward pressures on health spending – both in terms of per capita spending and total spending due to population growth - that may well outpace economic growth rates.

*Promoting efficiency and financial sustainability.* But higher spending will not necessarily translate into effective results, especially if investments are not well managed and/or not directed towards cost-effective technologies. The existing health systems in the region, especially in the public sector, are inefficiently managed and not appropriately organized to meet the changing needs of the population. Inefficient spending on health will have a substantial negative impact on economic growth and human capital development: it could act as a drag on labor productivity, add fiscal pressure on a limited government budget, and reduce governments' ability to target public resources for the vulnerable groups. There is also an active and growing private health sector which remains largely unregulated and whose role is often not well defined within economic development plans. New institutional capacities and governance structures are needed to establish an enabling regulatory environment which promotes the growth of an efficient, safe and viable private health sector. Investments in modern management systems and practices, rational investment plans, and appropriate cost containment measures, including substantial investments in preventive health programs, are essential in order to allow the MENA countries to transform their investments in health into one of the engines for economic growth.

*Addressing equity and access to health care.* Public spending on health care accounts for about half of total health spending in the region, while household out-of pocket spending account for nearly half of total health spending. This heavy dependence on direct household spending on health signifies that many individuals and households have relatively little financial protection (insurance) in the event of a catastrophic illness or injury. There are significant gaps in health coverage in most countries in the region, particularly in rural areas and among informal sector workers and their families. Investments in the health systems will need to be closely linked with the development of well-targeted social safety net.

***The MENA region comprises countries at widely different levels of social and economic development. This is reflected in great disparities in the health outcomes of the population, as well as divergent challenges and needs of the health sector. In terms of health outcomes and health systems, the MENA countries fall broadly into the following groups:***

(i) The low income countries (Yemen and Djibouti) continue to show poor health outcomes associated with poverty, and are not likely to meet the health MDG targets by 2015. Yemen and Djibouti currently have the highest infant mortality rates and maternal mortality ratios in the region. Yemen allocates only 3.7% of GDP to health spending, the lowest in the region, and a mere \$27 per capita. Djibouti spends a higher percent of GDP (6.3%) on health, but this higher expenditure level does not translate into effective health services or health outcomes. Djibouti is the only country in the region where HIV/AIDS has reached a generalized epidemic stage, which is consuming a large share of available health resources.

(ii) The middle income countries (Algeria, Egypt, Iran, Jordan, Lebanon, Libya, Morocco, Syria, and Tunisia) have made significant progress in improving the health outcomes of their populations, and are generally on track to achieving the health MDG targets by 2015. However, most of these countries still face significant rural and urban disparities in health outcomes and gaps in health coverage. For example, infant mortality rates among the poorest income quintile groups are twice the rates among the highest income quintile groups in Egypt and Morocco. Most of these countries also exhibit

inefficiencies that will require systemic reforms in the organization and management of the health financing and service delivery systems.

(iii) A number of countries in the region have experienced reversals in the health status through a series of conflicts (West Bank & Gaza and Iraq). These countries face the dual challenges of reconstruction and meeting the most urgent health needs of the population, while at the same time developing a vision and programs for a future sustainable health system. Moreover, these countries face an additional burden of disease of physical disabilities and mental health problems as a consequence of the conflict.

(iv) The Gulf Cooperation Council (GCC) countries enjoy good health outcomes that approach those of other high income economies. However, available data suggest there is considerable scope for improving the efficiency and quality of the health systems.

***The World Bank Strategy: A Flexible Approach to Meet the Diverse Health Needs of the region***

*Supporting the Millennium Development Goals (MDG) and meeting the basic health needs of the most vulnerable population.* Priority attention will be given to countries and populations at risk of not meeting the health-related MDGs. Child and maternal mortality rates and malnutrition among women and children remain very high in the poorest countries of the region (Djibouti and Yemen), as well as among the indigent population in the middle income countries (e.g., Upper Egypt and rural Morocco). The region also faces a high risk of emerging diseases, such as HIV/AIDS, that will disproportionately affect the vulnerable population. Reaching these groups will require a multifaceted approach; a traditional, supply-driven approach to expanding access to health services will not be sufficient. The Bank's strategy will expand support to community-led programs that empower women and community leaders in meeting the health needs of their families and communities. By empowering communities, this approach will introduce greater accountability into the health system, consistent with the regional strategy for strengthening local governance.

*Investing in the development of a more efficient, equitable, and safe health system.* The Bank provides investment support and technical assistance to the middle income countries in the region in order to enhance the performance of and enable the health systems to meet the changing needs of the population. These investments are crucial for averting the risks associated with health systems in transitions, including widening income disparities in access to health care and fiscal deficits. The Bank is supporting a range of programs in these areas, including: (a) expansion of health insurance coverage to the uninsured population; (b) developing institutional capacities and regulatory systems to ensure quality of care and patient safety, e.g. in pharmaceuticals and medical devices; (c) promoting public-private partnership for a more efficient and affordable health care; and (d) expansion of multi-sectoral public health programs to promote healthy lifestyles and mitigate risky behavior.

*Health programs for countries in conflict or post-conflict situation.* In West Bank & Gaza and Iraq, the Bank assistance focuses on combining emergency operations that meet the urgent health needs of the population with institutional and systems development programs that will enable the countries to develop a sustainable health system. Attention is also being focused on the needs of the disabled population.

*Reimbursable Technical Cooperation Program for the Gulf Cooperation Countries (GCC).* The Bank provides a broad range of policy advice and technical assistance to the non-borrowing countries in the region (Gulf Cooperation Countries) based on country requests. Support to these countries brings external benefits to the region as a whole, since health systems reforms in the GCC have an impact on other countries in the region. All dollar figures are in US dollar equivalents.

**September 2005**

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