

MENA HEALTH SECTOR BRIEF –SEPTEMBER 2010

The Unfinished Agenda: The MENA region has made remarkable progress over the past three decades in terms of expanding access to basic health services and improving the health status of its population. Most MNA countries are on track to meet the child and maternal mortality target of Millennium Development Goal (MDG). Yet, the region faces substantial unfinished agenda as well as emerging challenges. Child malnutrition remains a significant problem in many parts of the MENA region, but has received little attention from the policy makers. Malnutrition is a major contributor to child mortality among the low income population groups, and among those who survive, seriously hampers the child's ability to learn and become a productive member of the labor force.

Impact of Epidemiological and Demographic Transition - from “youth bulge” to “middle age bulge”: The MENA countries have relatively young populations – a factor that has helped to keep down the cost of healthcare. Yet the current cohort of youths shows an increasing prevalence of health risk factors such as obesity, sedentary lifestyles and tobacco smoking. These conditions predispose them to chronic diseases that will manifest symptoms during their middle age years, consequently raising the demand for and cost of healthcare among this group. Another emerging problem is the rapid rise in road accidents as a major cause of deaths and disabilities, especially among the working age population.

Rising costs and fiscal pressure. Middle and high income countries in the region are expected to face a rapid increase in health spending in the medium-term. These are predicted as consequences of the increasing burden of chronic diseases and injuries (whose unit cost of care is higher on average than communicable diseases), the growing role of the private sector, and the rising expectations and demand for quality care from the population. This in turn will increase public pressure on Governments to expand health coverage, at a time when most countries face fiscal constraints due to high unemployment and relatively high tax rates. Additional fiscal space would need to be generated through internal structural reforms, including productivity gains and better social targeting of health subsidies.

Access to health coverage is limited and distribution of health services is skewed towards urbanized areas and higher socioeconomic status. With the exception of the Gulf Cooperation Council (GCC) countries, most MENA countries show high dependence on direct, out-of-pocket payments by households, which account for more than half of the total health spending. Despite the availability (nominally) of free or subsidized health services, or social insurance coverage, the share of households that face exceptionally high (catastrophic) health payments is significant. The ability-to-pay is correlated with a pro-rich distribution in the use of health services and medications in most MENA countries. These trends reveal the inadequacies of the existing risk-pooling and financial protection mechanisms in ensuring affordable access to health care.

Governance and accountability in the health sector is weak. Centralized public administrative structure remains a predominant structure in place in most health care

systems in the region. This condition is delaying the emergence of a modern governance structure in the health sector: the budget process remains focused on inputs rather than outputs; government facilities have little scope for, or incentives to take, independent actions to improve quality or productivity; and private sector remains largely outside of the formal health coverage framework. There is an urgent need to develop quality and productivity standards and apply these to measure quality, safety and efficiency of health care. Moreover, independent assessment mechanisms are needed to oversee the performance of the health system, whether private or publicly provided, and to give greater voice to consumers of healthcare.

World Bank Strategy

Supporting the Millennium Development Goals and meeting the basic health needs of the most vulnerable populations. Priority is given to supporting the maternal and child health needs in the IDA countries and among the poor population in IBRD countries (Egypt, Morocco) and Conflict-Affected countries where maternal and child health outcomes are especially poor (Iraq, West Bank and Gaza). The Bank will be expanding assistance to child nutrition programs as part of the Early Child Development strategy in Egypt, Yemen, Djibouti, Iraq and Morocco. While the prevalence of HIV/AIDS remains low in the region, the disease is concentrated among the high risk groups (e.g., commercial sex workers, intravenous drug users, prisoners, out of school youths) who are among the most vulnerable groups in the region.

Middle-income population (Morocco, Tunisia, Algeria, Libya, Egypt, Jordan, Lebanon, Syria, and Iran): This group of countries faces a rapid rise in non-communicable diseases and injuries-related conditions as a share of the total disease burden. These conditions are leading to increasing costs and complexities in healthcare that will require substantial investments in modern business functions, information systems and new regulatory structures to ensure quality, safety, equity and efficiency of services. Reflecting these new demands, the Bank's investment and policy support is expanding into a range of modern governance and management functions, e.g.: health insurance information systems and business processes, including new social targeting mechanisms for health (Egypt, Lebanon); accreditation and quality improvement systems (Tunisia); and pharmaceutical regulation and supply-chain management (Jordan, Morocco). A number of countries are examining healthcare as a contributor to economic growth, with a potential capacity to generate high value employment and expand the role of the private sector.

Conflict-Affected population (West Bank & Gaza, Iraq): The health outcomes have declined in these populations as a consequence of conflict-related problems. The Bank support has focused on emergency programs to ensure the provision of essential health services either as part of a broader emergency social support programs (e.g., West Bank & Gaza) or as stand-alone projects to provide emergency medical services, rehabilitation of disabled persons and primary health care services with particular attention on vulnerable children and mothers (Iraq).

Gulf-Cooperation Council (GCC) Countries: While these countries have overall health outcomes that approach the levels of developed economies, they also face very high rates of non-communicable diseases among the national population, and there is a strong and growing demand for higher quality and more responsive health care system. These countries also have a large expatriate working-age population whose health care coverage is a topic of intense review and discussion. The Bank is providing support in the development of strategic plans for national health reforms, as well as specific technical and policy advice on: health insurance regulation; food, drug and medical device regulation; and accreditation and quality improvement systems.

MENA Regional Activities. The Bank supported the establishment of MENA Health Policy Forum, an independent network of health policy researchers from the Region with the shared mission of advocating and building capacity for evidence-based policy making. In collaboration with the Forum, the Bank is preparing a Regional Report: *Meeting the Challenges of Health Transition in the Middle East and North Africa – Building Partnerships for Better Health.* The Report identifies the major drivers for change in the health sector, assesses the readiness of the health sector to meet these new challenges, and proposes policy options for action.

In collaboration with UNAIDS, the Bank has published a Regional Report: *Characterizing the HIV/AIDS Epidemic in the Middle East and North Africa: A Time for Strategic Action.* The report represents one of the first, comprehensive epidemiological assessment of HIV/AIDS in the Region. While the prevalence of HIV/AIDS remains low in the region, the report highlights the serious threat this disease poses among the high risk groups (e.g., commercial sex workers, intravenous drug users, out of school youths), and will advocate for adequate social protection for this particular group of vulnerable population.

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