World Bank – Health Systems Development — *November 2005*

In this Issue:

Leadership Forum

In this Leadership Forum on the High-Level Forum on the health-related Millennium Development Goals (MDGs), **Jacques Baudouy**, Director of Health, Nutrition and Population at the World Bank discusses the history of the Forum and the key challenges that the international development community faces in helping countries achieve their goals. Read the article.

Feature Reading

The Millennium Development Goals for Health: Rising to the Challenge, by The World Bank, 2004.

Related Event

High-Level Forum on the Health Millennium Development Goals, Paris, France, **November 14-15**, 2005.

Bulletin Board

- Millennium Development Goals (MDGs)
- MDGs for Health (video)
- Mini Atlas of MDGs
- Health Related MDGs
- WBI course: Accelerating Progress Towards Health MDGs

Archives

- Leadership Forum
- Economic Viewpoints
- Featured Events
- Featured Readings
- HSD Newsletter

Newsletter Subscription

You are subscribed to the **HSD Newsletter**

The purpose of this list is to provide policymakers, health professionals, practitioners, and development experts an open forum for the posting and discussion of news and information relating to Health Systems Development (HSD). We are looking forward to a dynamic and informative discussion. Please share your knowledge and views.

- Join HSD News List: join-hsdnews@lists.worldbank.org
- Posting to the List: hsdnews@lists.worldbank.org
- Unsubscribe: leave-hsdnews@lists.worldbank.org
- List Manager: listmanager@lists.worldbank.org

Contact: Editor: Alexander S. Preker (Lead Economist) apreker@worldbank.org

High-Level Forum on Health Millennium Development Goals (MDGs)

Author **Jacques Baudouy**, Director of Health, Nutrition and Population at The World Bank.

Background

Health is central to the Millennium Development Goals (MDGs).[1] Three goals relate directly to health, and health contributes to the achievement of all the others. It is clear that the achievement of the health MDGs poses a major challenge. First and foremost, progress is slow, lagging behind other goals such as primary education and poverty reduction. Second, there have been some significant changes in development assistance for health over recent years: the level of development assistance for health (DAH) has increased dramatically; more actors are now involved, including global health partnerships and the private sector; and, certain aspects of health-in particular HIV/AIDS and communicable diseases—have attracted unprecedented levels of political attention, sometimes overshadowing the equally pressing tasks of improving child, maternal, and reproductive health, expanding health coverage, and improving the quality of health services delivery. As a result, health is now an increasingly complex sector to manage. Third, many of the health goals require progress beyond the health sector-in areas ranging from women's education, to nutrition, to rural communications and infrastructure. Last, the promise of increasing aid commitments for human development requires a parallel effort to ensure the high quality of aid for health and to manage its impact on the economy as a whole.

History of the High-Level Forum

Concern about the slow progress toward the health MDGs was expressed at a meeting of development agencies and developing countries that took place in Ottawa in May 2003, hosted by the Government of Canada, the World Bank, and the United Kingdom's Department for International Development (DFID). The High-Level Forum (HLF) was established to respond quickly to these challenges and to consider what the international community should do to accelerate progress toward the health MDGs.

Coordinated by a small secretariat located in the World Health Organization and the World Bank, the HLF on the Health MDGs facilitates discussion among participating ministers, senior officials in governments, and development agencies in a spirit of responsibility and mutual accountability. The aims of the HLF include reaching a consensus on constraints to progress and catalyzing action to address these constraints. The November 2005 meeting of the HLF in Paris hosted by the Government of France will be the third in a series of meetings (and most likely the last in that format), the first of which took place in Geneva in January 2004 and the second in Abuja in December 2004.

Topics have evolved over the course of the meetings and in response to the views of HLF members, developments in international health policy, and perceived gaps in knowledge. The first meeting in Geneva (HLF-1) focused broadly on resources, aid effectiveness and harmonization, and human resources for health. HLF-1 acknowledged the difficulties of tracking progress toward the achievement of the MDGs. It supported the establishment of the Health Metrics Network (HMN), and suggested that members of the HMN should develop a set of intermediate indicators that could inform national authorities and their development partners about progress toward the Goals. HLF-1 also urged that work be undertaken to improve the tracking of financial resources for health—in particular to strengthen the relationship between systems that generate national health accounts and the creditor reporting system of the OECD/Development Assistance Committee (DAC).

HLF-2 in Abuja covered progress toward health MDGs in low- and middle-income countries, MDG-oriented poverty reduction and sector strategies, monitoring performance and tracking resource flows, action on the human resources crisis in health, and health in low-income countries under stress. More specifically, the meeting looked at estimates of need and how health is reflected in Poverty Reduction Strategy Programs (PRSPs), medium-term expenditure frameworks, and national budgets. From the outset, the HLF has highlighted how shortages of health workers have constrained countries' efforts to improve health outcomes. The meetings have also discussed how to enroll political and financial

support, at country and global levels, to address this issue. The complexity of the health sector means that the harmonization and alignment agenda is of particular importance.

HLF-3: Themes for Discussion

The major topics to be discussed at the final meeting in Paris (HLF-3) are financial sustainability and fiscal space, global health partnerships, health services in fragile states, and progress on human resources for health.

Financial sustainability and fiscal space. *Fiscal space* can be defined as the availability of budgetary room that allows a government to provide resources for a desired purpose, such as health, without any prejudice to the sustainability of a government's financial position. Fiscal space can be generated through tax measures or improved tax administration, reallocation of resources, borrowing internally or externally, grants, and seignorage.[2] Donor funding finances a large and increasing proportion of health expenditures in Sub-Saharan Africa and a few other low-income countries (LIC). As a result, it is proving increasingly difficult for countries to create the fiscal space needed to absorb this additional funding. Other areas of the current aid system that create budget management problems for countries include the fact that most of the new donor funding for health has come in the form of vertical programs, and about 50 percent of it is off-budget. Much aid is earmarked and therefore may reflect donor as opposed to country priorities. Additionally, donor aid is often fungible--in other words it can be used to substitute for domestic funds that otherwise would have been devoted to other purposes--thereby failing to have the intended effect of boosting the amount of resources going toward the desired programs. Each of these factors complicates and poses challenges to countries' efforts to develop and implement sustainable health financing schemes. Discussions at HLF-3 will include possible mechanisms to increase maturity, diminish volatility, increase predictability, and improve overall coordination of donor funding for health.

Global health partnerships. Global health partnerships (GHPs) can exist in the form of funding (Global Fund ATM, GAVI, GAIN), technical assistance or advocacy (Roll Back Malaria, Stop TB), initiatives (PEPFAR, MAP), or as smaller, single disease-focused partnerships. These will be assessed with regard to their impact at the country level and with a focus on developing principles of best-practice. Although GHPs have elicited positive results-increasing countries' planning capacities, helping countries address neglected diseases and scale up interventions rapidly, strengthening program monitoring, improving accountability, and raising the profile of nongovernmental organizations (NGOs) and the private sector-they have limitations as well.

There are major challenges to efforts to reduce transaction costs and avoid distortions in resource allocation. Furthermore, the small number of GHP staff and a proliferation of coordination committees have resulted in poor communication between GHPs and countries and ineffective country-level coordination. In addition, implementation support has been inadequate, and cross-cutting system gaps have not been addressed and in some cases have been exacerbated.

Health services in fragile states. Progress toward and constraints to service delivery in post-conflict states and poor performers are other topics to be discussed in Paris. The sheer magnitude of the problem is often underestimated, perhaps stemming from the fact that only one seventh of the developing world's population lives in fragile states; yet they represent one third of all people living on less than $1 per day. One third of maternal deaths worldwide occur in these countries, and half of their children die before the age of five; most African countries are part of this group.

Health needs to be a much more central part of peace processes, negotiations, and post-conflict reconstruction. Furthermore, gender is a critical issue in conflict and post-conflict situations and needs to be incorporated more rigorously. It is critical to establish specific goals for fragile states and support them to make progress toward the MDGs, especially given the constraints of weak governance. Since the knowledge base concerning effective mechanisms for planning and delivering essential health services in fragile states is weak, there is no single paradigm for action. However, common lessons may be extracted from the experiences of different countries, and technical strategies may be able to be transferred from development to humanitarian portfolios.

Progress on human resources in health. Human resources for health (HRH) have been discussed at the previous two meetings, and HLF-1 established that there is a human resources crisis in the health sector that must be urgently addressed. Toward this end, the HLF supported plans to set up a Working

Group on Human Resources in Health to analyze and pilot country-based actions, share experiences, and develop an action plan. At HLF-2, the HRH crisis in Africa was presented as an exceptional case requiring exceptional action. The meeting highlighted key macroeconomic and political issues and challenged partners-countries, donors, multilaterals, regional institutions-to engage in immediate actions appropriate both for an emergency response and long-term solutions.

Overall, the agenda for HRH has become clearer and stronger, and now enjoys greater political support. It has been agreed that while responses must be country-based, greater international support and coordination is also required. HRH issues also need to be viewed in an overall health systems context as well as in the context of public sector management and public sector labor force issues. This entails rebalancing poverty reduction strategies and increasing fiscal space for public investment, including HRH. Private for-profit and not-for-profit sectors need to be brought into the picture as part of efforts to explore solutions to the HRH crisis. In order to strengthen health systems and free up trained health professionals for other tasks, increased training of other professionals is needed. Additionally, with the migration of health workers being a major concern, national trends and global agreements need to be examined to review impact on migration.

The Future of HLF

HLF-3 has been asked to consider whether a regular meeting of high-level ministers and officials is of value, and if so, what form it might take. The sorts of issues that a successor to the HLF might discuss include scaling up to meet the MDGs and international architecture for health. This could include looking at efforts to prepare and implement MDG-based PRSPs in several countries and considering whether there is scope for greater coordination and learning in relation to scaling up. This agenda would imply a degree of focus on new areas such as governance and institution-building, in both fragile and well-governed states.

It is widely acknowledged that health is one of the most complex sectors, stemming in large part from the multiplicity of actors involved. With promised increases in aid, several donors are reviewing how they can best channel resources (through bilateral programs, global partnerships, development banks and UN agencies). All have a role to play, but there are legitimate questions to be explored about the desirable attributes and behaviors of, and synergies between, different possible channels. New work is being initiated on architecture issues (for instance by the Gates Foundation and several bilaterals). Such work could benefit from regular discussion at a successor to the HLF. In addition to thinking about the substantive focus of a new venture, HLF participants might consider what form such a meeting should take. Issues such as how to maintain high-level engagement; how to balance informality with inclusiveness, where the secretariat should be housed, and how it should be financed all require consideration.

---

1. This note makes extensive use of a background document prepared for the HLF-3, *The Future of the High Level Forum*.
2. *Seignorage* is defined as "[t]he amount of real purchasing power that [a] government can extract from the public by printing money." (Cukierman, A. (1992) *Central Bank Strategy, Credibility, and Independence*. Cambridge MA: MIT, cited in http://economics.about.com/od/economicsglossary/g/seignorage.htm.