

# MacroHealth Newsletter



Issue No. 14



World Health Organization

February 2006

**This issue highlights just some of the work in macroeconomics and health that is ongoing in a number of countries in all WHO regions. More information from other countries can be found on the macroeconomics and health website at [www.who.int/macrohealth](http://www.who.int/macrohealth).**

## **NATIONAL MACROECONOMICS AND HEALTH REPORTS...**

*In recent months, a number of countries released national macroeconomics and health reports, the culmination of CMH follow-up work since 2001. The focus of these reports, and how they will be used, vary from country to country. In countries such as Ghana and India, the result has been a costed health plan that takes into account selected health-related sectors. In others, such as the 15 member states of the Caribbean Community, China, Mexico, and Sri Lanka, a targeted research agenda has been commissioned that is building the evidence for national priority-setting, advocating with policy-makers and future planning.*

### **TECHNICAL ADVISORY GROUP IN CAMBODIA EXAMINES HOW TO INCREASE AND IMPROVE HEALTH RESOURCES**

The Cambodian follow-up to the Commission on Macroeconomics and Health has been a process of collaboration between key ministries in the Royal Government of Cambodia, civil society organisations, and international partners. A Macroeconomics and Health Technical Advisory Group (TAG) was formed drawing on staff from the Ministry of Health, Ministry of Economy and Finance and Ministry of Planning. This group has led a series of activities examining the quality and quantity of financing for the public health sector, including a National Research Symposium that brought together civil society organisations, international partners and management from the three ministries. Through this process, the TAG has authored a joint discussion paper, *Financing the Cambodian public health sector*. As Cambodia already devotes a large percentage of its national budget to health, this paper brings the institutional and technical expertise of the three ministries to bear upon the question of how the public health sector may better benefit from resources that are currently available, while at the same time examining possibilities for increased resource flows.

For more information, see [http://www.who.int/macrohealth/action/cambodia\\_tag\\_report.pdf](http://www.who.int/macrohealth/action/cambodia_tag_report.pdf).

### **THE CARIBBEAN COMMISSION ON HEALTH AND DEVELOPMENT: BUILDING EVIDENCE AND PROPOSING SOLUTIONS**

The aim of the *Report of the Caribbean Commission on Health and Development* (CCHD) is to analyse different dimensions of the health situation in the Caribbean, present the nature of the problems faced and offer some possible solutions for consideration. The work of the CCHD, a sub-regional initiative, is placed within the context of increasing integration in the 15 countries of the Caribbean Community (CARICOM) due to changing political arrangements, especially the Caribbean Single Market and Economy. The report considers in detail the burden of noncommunicable diseases, noting that in the latter part of the 1990s, cardiovascular disease, diabetes mellitus and cancer accounted for 51% of deaths in the Caribbean. It presents evidence of the economic returns to health, through health's impact on foreign direct investment and tourism. The CCHD also devotes considerable space to the critical shortage of nurses due to migration.

In order to reduce user fees, the report recommends that public health services should be fully funded from public funds, and broaches the possibility of instituting a Caribbean-wide social health insurance.

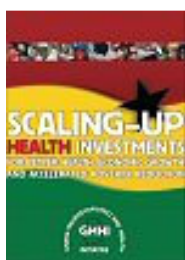
The CCHD report was presented to the 26<sup>th</sup> meeting of the CARICOM Heads of Government, who have asked that the report be distributed to all stakeholders and an implementation agenda be developed.

For more information, see [http://www.who.int/macrohealth/action/PAHO\\_Report.pdf](http://www.who.int/macrohealth/action/PAHO_Report.pdf).

#### **CHINA: TOWARDS ALLEVIATING POVERTY POCKETS AND SUSTAINING LONG-TERM ECONOMIC GROWTH**

The focus of the macroeconomics and health work in China has been on presenting evidence to promote the need for a greater Government role in ensuring affordable, quality health care for the population. The China macroeconomics and health report, *China: health, poverty and economic development*, highlights significant barriers in financial access to medical services, with 70% of people failing to take inpatient care citing financial difficulty as the reason. There is a growing gap in the health system, as well as soaring costs of health care. At the same time, evidence suggests that poor health may have an significant impact on total factor productivity, which will play an increasingly important role to sustain high economic growth in China in the coming years. The report reviews the strategies currently followed by the Government to deal with these issues, as well as strategies being planned.

For more information, see [http://www.who.int/macrohealth/action/CMH\\_China.pdf](http://www.who.int/macrohealth/action/CMH_China.pdf).



#### **TOWARDS ACHIEVING HEALTH TARGETS: A HEALTH INVESTMENT PLAN FOR GHANA**

The report of the Ghana Macroeconomics and Health Initiative (GMHI), *Scaling-up health investments for better health, economic growth and accelerated poverty reduction*, establishes a multi-year strategy to scale up a priority health package to improve health outcomes and expand access for the poor. This package consists of essential health interventions, health systems development, close-to-client services, and improved access to water and sanitation. The report's investment plan details resource requirements, financing gaps and resource allocation in line with policy priorities. The GMHI found that an additional US\$ 5 billion will be needed over 2002-2015 to achieve national health priorities. The report also presents evidence of the links between health and development in Ghana; for example, it is estimated that Ghana's low life expectancy of 57 years deprives the country of about US\$ 620 million in annual output.

The GMHI report is aligned with completed and ongoing planning activities, such as the Ghana poverty reduction strategy, the medium-term expenditure framework and the Ministry of Health Programme of Work. Its findings are being used by the United Nations system to inform the assessment of the health component of the Millennium Project in Ghana, and as a reference in preparing the proposal for the United States Millennium Challenge Account. It will also be employed in discussions with donors on financing options for the health investment plan, including health's share of the recent US\$ 4 billion debt relief to Ghana.

For more information, see <http://www.who.int/macrohealth/action/GMHIFinalReport-web.pdf>.



#### **INDIA NCMH: SUPPORTING AN EFFECTIVE STRATEGY FOR HEALTH SECTOR REFORM**

The India National Commission on Macroeconomics and Health (NCMH) developed a list of priority health conditions and interventions based on specific criteria and recommended that public health spending be increased from the current level of approximately 1.2% to 3% of GDP within the next ten years. These are part of the *Report of the National Commission on Macroeconomics and Health*, which undertook a critical

appraisal of the health system, including links between health, development and poverty; burden of disease; and financing and delivery of health care services. In order to reduce household expenditures of the poor, which are estimated to raise the proportion of people living below the poverty line in India by as much as 3.3% per year, the report recommends that a core package of services be made universally accessible at public costs. It also outlines ways to finance a comprehensive package of services to ensure access by the poor, including social health insurance. The NCMH took an intersectoral approach to health, calculating the cost of nutrition and other health inputs in addition to health services.

The India NCMH focused on the significant disparities in health status and access to care among population subgroups. It also described weaknesses in the public health system, such as lack of capacity to plan and implement an effective health sector strategy, and suggested ways to address them. The report's recommendations include increased involvement of civil society and communities in decision making and a strengthened regulatory function by the government on the contribution of the private sector.

For more information, see

<http://www.who.int/macrohealth/action/Report%20of%20the%20National%20Commission.pdf>.

### **MACROECONOMICS AND HEALTH IN MEXICO: REDUCING WIDE DISPARITIES IN HEALTH**

The work of the Mexico National Commission on Macroeconomics and Health (CMMS) has focused on the analysis of health financing and social protection, creating an inventory of public goods, adapting the Millennium Development Goals (MDGs) to the national context and describing the relationship among health, development and poverty reduction. The health situation in Mexico, a middle-income country, is characterized by wide disparities in health indicators among regions and socio-economic groups. Accordingly, the CMMS report, *Investing in health for economic development*, suggests moving up the timeframe for specific MDGs targets, establishing targets at the subnational level, and including additional goals, such as those related to chronic illnesses. The report cites the Government's human development program *Oportunidades* as a successful example of how public expenditures on health can be a tool for fairer health financing, more equitable access to health services and greater efficiency of allocations in the sector.

The report is to be used as a dynamic document towards creating a social consensus in terms of health and development goals, processes and outcomes. The goal is to encourage social involvement in these issues and promote government accountability in equitable access to health and education services.

For more information, see the report executive summary at

<http://www.who.int/macrohealth/action/sintesis15novingles.pdf>.

### **SRI LANKA: PLANNING FOR MAINTAINING ACHIEVEMENTS AND ADDRESSING NEW CHALLENGES**

The report of the Sri Lanka National Commission on Macroeconomics and Health (NCMH), *Economy and health: taking Sri Lanka towards the global best*, recommends that the public sector invest at least 2.5-3.0% of GDP in health and that steps be initiated to develop a health insurance system to decrease the inequities linked to high out-of-pocket expenditures. The recommended investment would help enable Sri Lanka to maintain and build on its health system achievements and face impending health challenges. The report identified overcrowded tertiary hospitals and neglected primary facilities and prevention as major challenges (73% of actual health care expenditures in 2004 were for hospitals, while public health services accounted for only 4%). Lack of coordination between central and district levels and insufficient planning of human resources are two additional issues addressed by the report.

For more information, see [http://www.who.int/entity/macrohealth/action/sri\\_lanka\\_report.pdf](http://www.who.int/entity/macrohealth/action/sri_lanka_report.pdf).

## **A STRATEGIC FRAMEWORK AND INVESTMENT PLAN FOR THAILAND**

Thailand's health investment plan, prepared by the working group on macroeconomics and health, estimates that 1,854,405 million baht (US\$ 47.5 billion) will be needed by the health sector over 2006-2015. This estimate is based on projections of the financing required to improve infrastructure and human resources for health; expand and sustain health insurance coverage; and provide cost-effective interventions to reduce major health risks. The health investment plan is part of the report, *Macroeconomics and health framework for investing in health - Thailand*. The report also reviews current situations and trends in health outcomes, health care financing and coverage (in particular Thailand's Universal Coverage Scheme, introduced in 2001) and resources for health. It then discusses various options under a strategic framework for investing in health development that could potentially be incorporated into long-term health sector plans.

Thailand's working group on macroeconomics and health was set up by the Ministry of Public Health of Thailand in July 2002. Participants in the working group include various experts and high level health administrators, health planners, economists, and representatives from the National Economic and Social Development Board, the Ministry of Finance, and WHO Thailand, together with the Bureau of Policy and Strategy in the Ministry of Public Health as the secretariat.

For more information, see [http://www.who.int/macrohealth/action/thailand\\_report.pdf](http://www.who.int/macrohealth/action/thailand_report.pdf).

## **TOUGH CHOICES: INVESTING IN HEALTH FOR DEVELOPMENT...**

### **COMPILATION OF MACROECONOMICS AND HEALTH EXPERIENCES PRESENTS KEY LESSONS AND A POLICY AGENDA**

The CMH Support Unit has prepared a new report, *Tough choices: investing in health for development*, which presents experiences since 2001 in countries that followed up on the recommendations of the Commission on Macroeconomics and Health. Drawing on the findings from country experiences, the report presents a policy agenda along which national analytical and planning efforts could be focused. The report, to be released in February/March 2006, aims to guide efforts of countries and their partners who are interested in a new approach to building evidence for policy, planning and advocacy for scaling up essential health interventions.

## **PARTNERSHIPS... PARTNERSHIPS... PARTNERSHIPS...**

### **OPEC FUND WILL SUPPORT STRENGTHENING HEALTH SYSTEMS IN THREE COUNTRIES**

The OPEC Fund for International Development has provided a grant to support CMH follow-up work in Djibouti, the Sudan and Yemen over the period from January 2006 to December 2007. The grant will contribute to improving the health of the poor through work towards strengthening national health systems in these three countries. This project has been initiated in cooperation with Ministries of Health of Djibouti, the Sudan and Yemen.

## **EXTERNAL RESOURCE FLOWS TO THE HEALTH SECTOR...**

### **STUDIES FIND URGENT NEED FOR IMPROVED TRACKING OF DONOR FUNDS FOR HEALTH**

Three studies in Cambodia, Indonesia, and Sri Lanka, commissioned as part of the CMH follow-up, suggest the strong need for better and more timely data on the allocation of donor funds within countries. A key recommendation is that trends and patterns in the allocation of external financial flows should be linked to the performance of health systems, towards improving the effectiveness of development assistance for

health. One important finding of the studies is that the share of external funds channeled 'on-budget' differed widely across the three countries. In Cambodia, only about 20% of external funds were disbursed through the Treasury.

For more information, see [http://www.who.int/macrohealth/documents/michaud\\_synthesis.pdf](http://www.who.int/macrohealth/documents/michaud_synthesis.pdf).

## **COUNTRY UPDATES...**

### **TECHNICAL SUPPORT TO MOZAMBIQUE FOR COSTING PRIORITY HEALTH PACKAGE**



Following a request by the Ministry of Health of Mozambique, WHO is providing technical support to the formulation and costing of the health component in the PARPA II, the second five-year poverty reduction strategy paper (PRSP). A mission was conducted in November 2005 to define the priority health package to be costed, adapt the costing methodology and start the data collation. During a second mission, recommendations were made to the Ministry of Health of Mozambique for preparing for the resource needs estimation, and additional data was collected. An analysis of the health financing situation, including opportunities for mobilizing additional and more predictable funding for the health sector, was carried out.

### **HEALTH ECONOMISTS RECOMMEND WAY FORWARD FOR MH WORK IN VIET NAM**

In September 2005, two health economists from Malmö, Lund University, travelled to Viet Nam to assess the opportunities and constraints for developing a national programme on macroeconomics and health. This was supported by the Swedish International Development Cooperation Agency (SIDA) in response to strong country interest, which had led to the development of a national proposal for a Viet Nam macroeconomics and health programme.

The findings and recommendations of the assessment are presented in the report *Investing in health for economic development in Viet Nam: report on opportunities and constraints for a national macroeconomics and health programme*. The report describes the health and socioeconomic situation of Viet Nam along with a summary of the key health and development policies in the country. The main opportunities found include the existence of a programme proposal developed by the Central Party Commission on Social Issues, a high level of awareness of the importance of investing in human capital for economic development, and the current policy challenges facing the government that might usefully be addressed within the framework of a national macroeconomics and health programme. The main constraints include the human resource capacity from which to draw on for the implementation of the programme, the seeming incoherencies in the policy development process, and the still fragile policy analysis capacity.

The authors emphasize the need for mainstreaming such a macroeconomics and health initiative so as to avoid layering on the programme on top of existing processes and burdening the existing policy structure. The authors recommend the identification of key national agencies and institutions to be involved in a macroeconomics and health initiative.

The national proposal is currently being supported by SIDA.

For more information, see [http://www.who.int/macrohealth/action/CMH\\_Vietnam\\_Final.pdf](http://www.who.int/macrohealth/action/CMH_Vietnam_Final.pdf).

### **WHO FACILITATES SUPPORT TO YEMENI HEALTH SECTOR RESOURCE ESTIMATION**

In Yemen, WHO has facilitated technical support to the health sector planning process and for building capacity in the Ministry of Public Health and Population to carry out resource estimations for health

programmes. This support also aims to enhance advocacy for increasing the public health sector budget, both from national resources and international donor contributions.

Resource needs were estimated for a five-year health sector plan (2006-2010), to be integrated into the Yemeni Government's five-year development poverty-reduction plan. This estimation followed on from previous work to estimate the resource needs for an ambitious package of health services over a ten-year period. Inevitably, the five-year health sector plan needed to incorporate both financial and capacity constraints that were less evident in the longer-term plan.

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The MacroHealth Newsletter is issued regularly by e-mail to partners and associates. Subscribers are invited to submit their views or synopsis of activities on macroeconomics and health -- 100 to 150 words in length -- for possible inclusion in the Newsletter. This will help ensure that this electronic Newsletter remains a forum for sharing ideas, information and news on MacroHealth actions at the country level. **For any comments, information or requests, please contact MH Newsletter Editor:** Valerie Crowell, E-mail: [crowellv@who.int](mailto:crowellv@who.int). **CMH Executive Secretary:** Sergio Spinaci, E-mail: [spinacis@who.int](mailto:spinacis@who.int). **To subscribe** to the MacroHealth Newsletter please send your details to [cmhsu@who.int](mailto:cmhsu@who.int). Please forward this newsletter to any user who would benefit from the information contained. Visit the Macroeconomics and Health web site at: <http://www.who.int/macrohealth/>.

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