

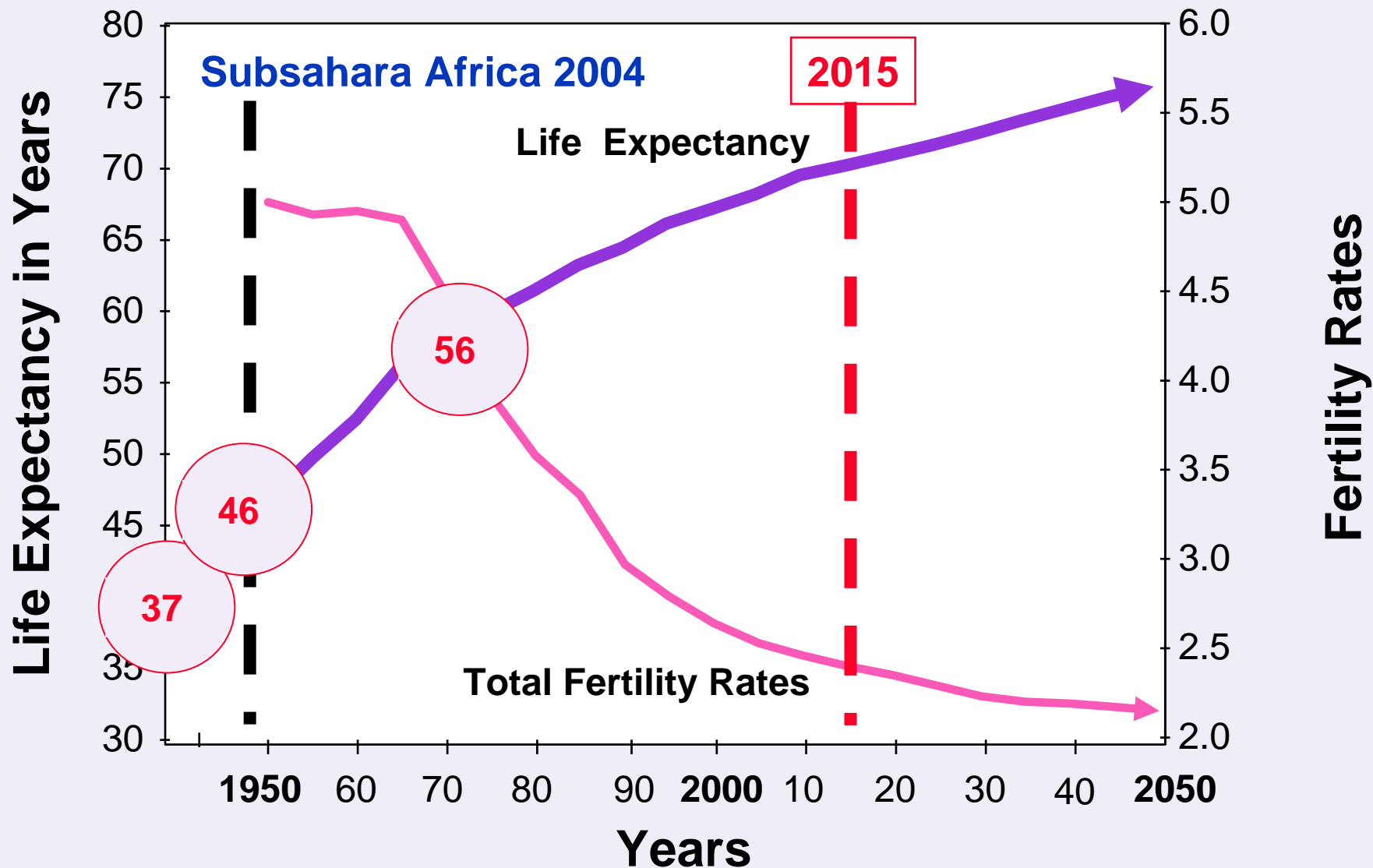
Health Financing in Development

Recent Trends in Africa

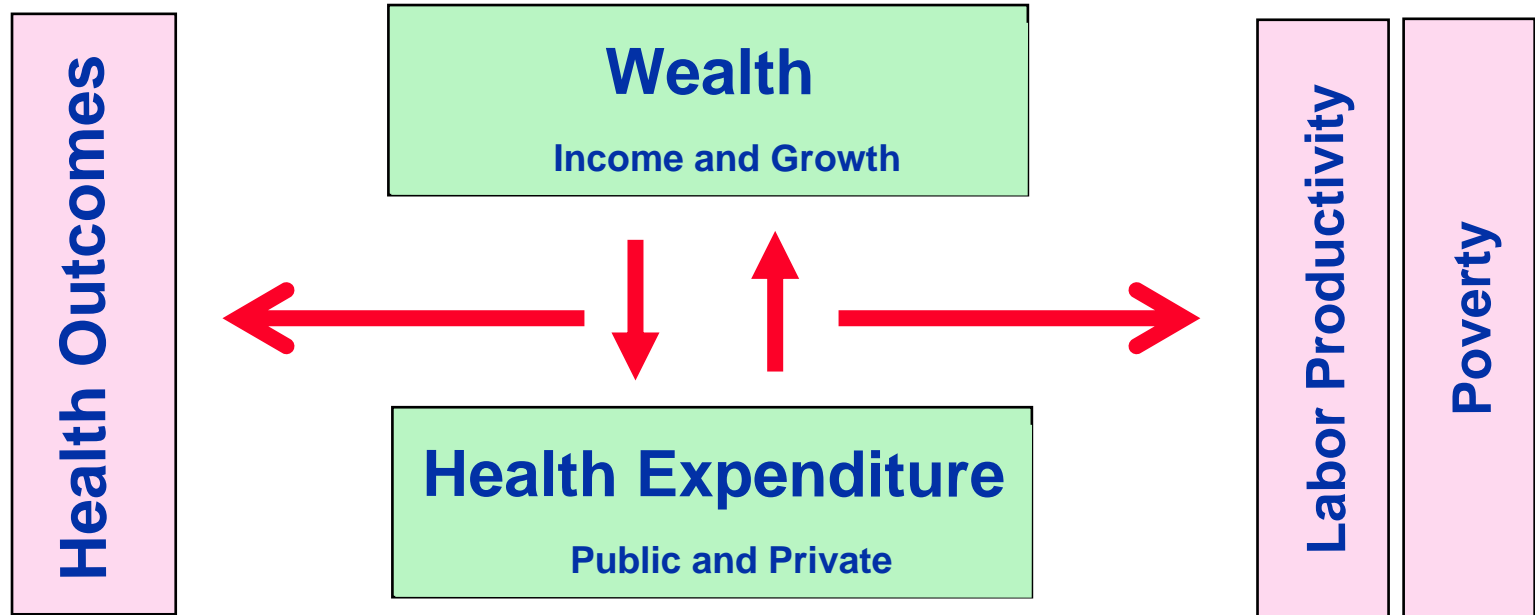
Alexander S. Preker
Lead Economist
World Bank

Health in Africa Forum

A Century of Unparalleled Improvement But Some Are Left Behind



Important Link Between Wealth and Expenditure on Health



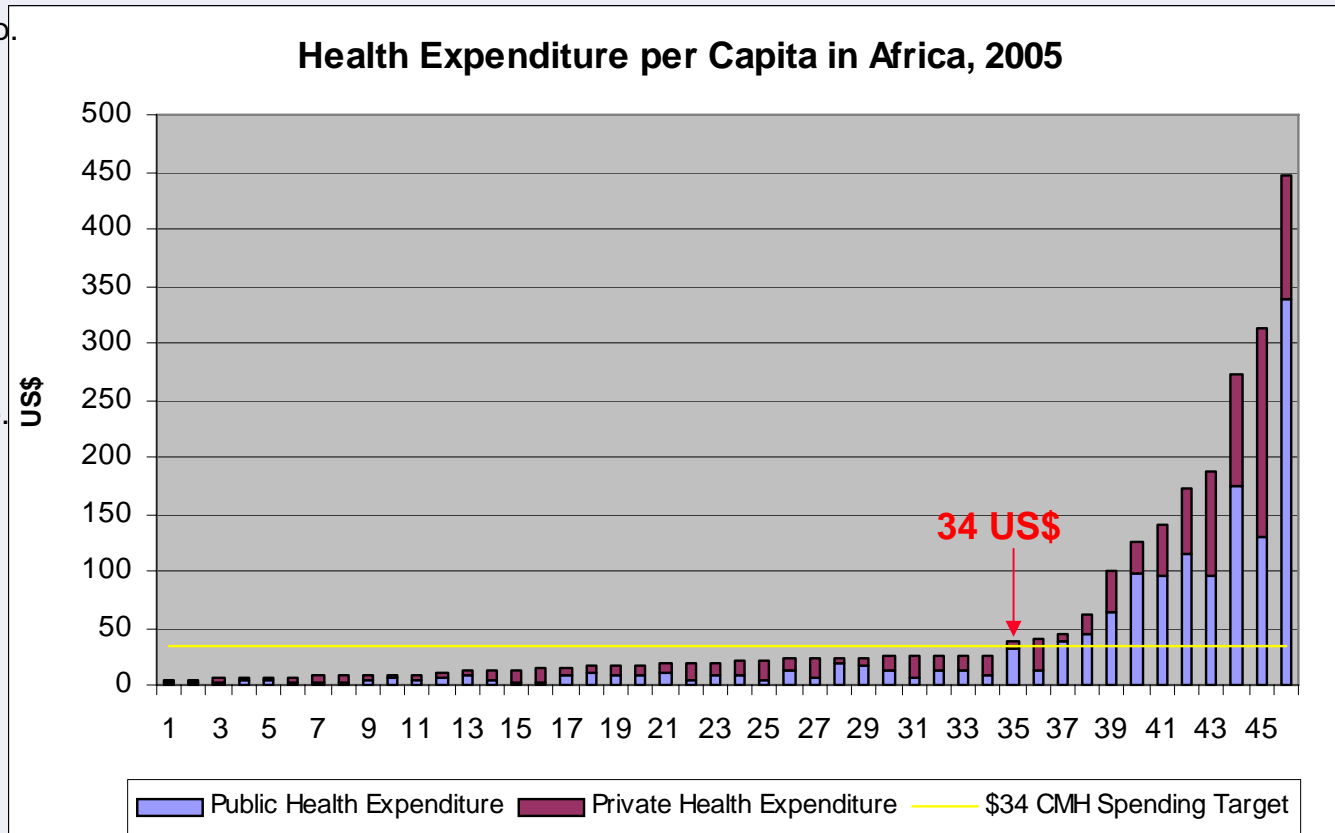
Estimating the Resource Envelope

Main Data Variables

- Overall level of GDP
- Share of GDP channeled through the public sector
 - Share of public sector resources allocated to health care
 - Share of health expenditure in public sector used to pay for health workers
- Share of GDP channeled directly through households
 - Household spending of health care
 - Share of private expenditure on health care devoted to health workers

Most Countries Today Do Not Meet Normative Targets

1. Congo Dem. Rep.
2. Burundi
3. Niger
4. Ethiopia
5. Sierra Leone
6. Eritrea
7. Liberia
8. Guinea Bissau
9. Comoros
10. Madagascar
11. Central Afr Rep.
12. Tanzania
13. Mozambique
14. Chad
15. Togo
16. Guinea
17. Mali
18. Mauritania
19. Burkina Faso
20. Ghana
21. Benin
22. Nigeria
23. Kenya



24. Sudan
25. Cote d'Ivoire
26. Rwanda
27. Uganda
28. Angola
29. Malawi
30. Congo Rep.
31. Gambia
32. Zimbabwe
33. Zambia
34. Senegal
35. Lesotho
36. Cameroon
37. Sao T & Pr.
38. Cape Verde
39. Swaziland
40. Equatorial Guinea
41. Namibia
42. Gabon
43. Mauritius
44. Botswana
45. South Africa
46. Seychelles

Economic Scenarios That Drive Real Policy Options

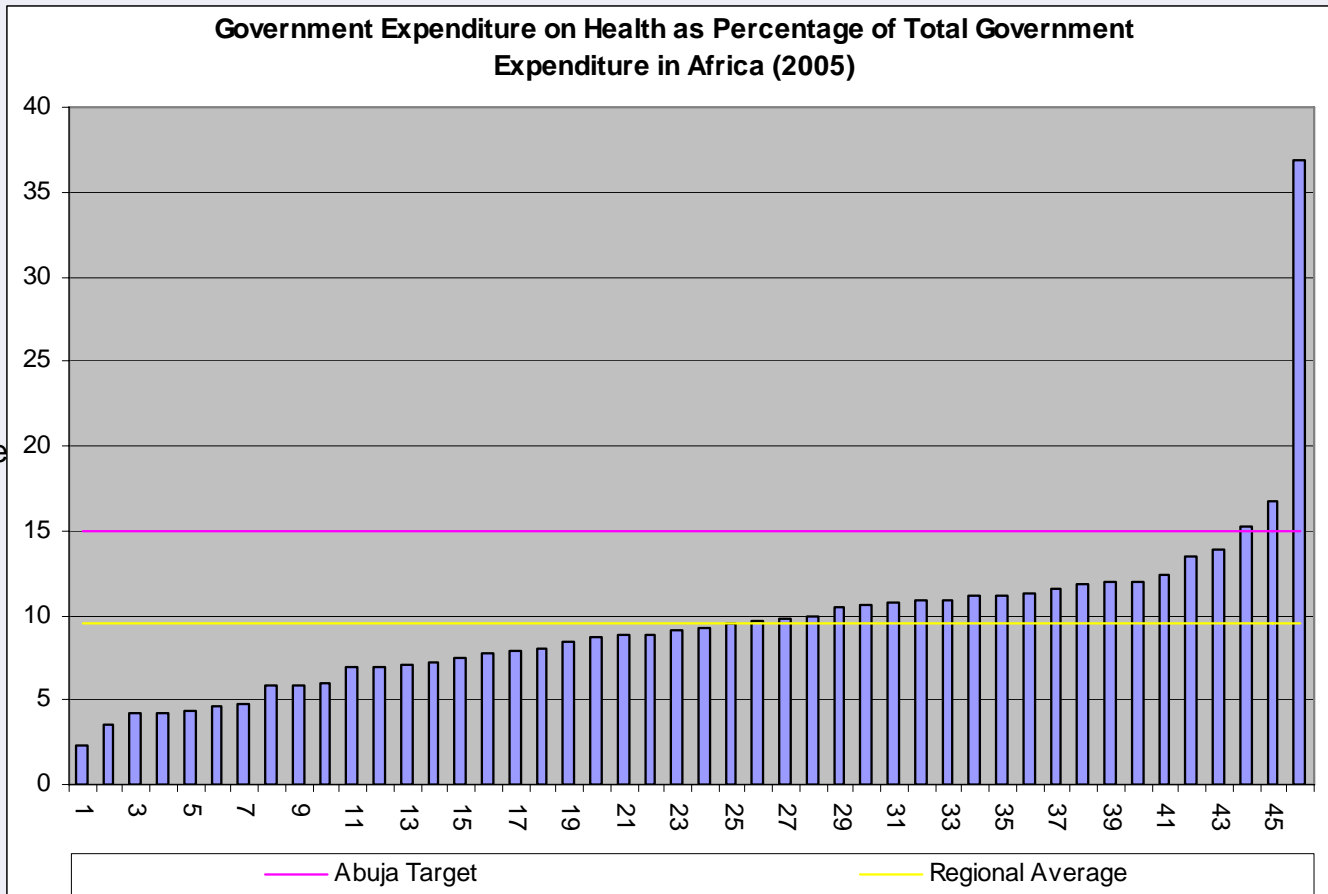
- Best Case
- Projection of Current Trends
- Worst Case

Best Case Assumptions for Increasing Health Expenditure

- Government Spending (+15 percent)
- GDP Growth (+5 percent)
- Insurance Effect (+25 percent)
- Donor Aid (+100%)

Political Commitment Is Important

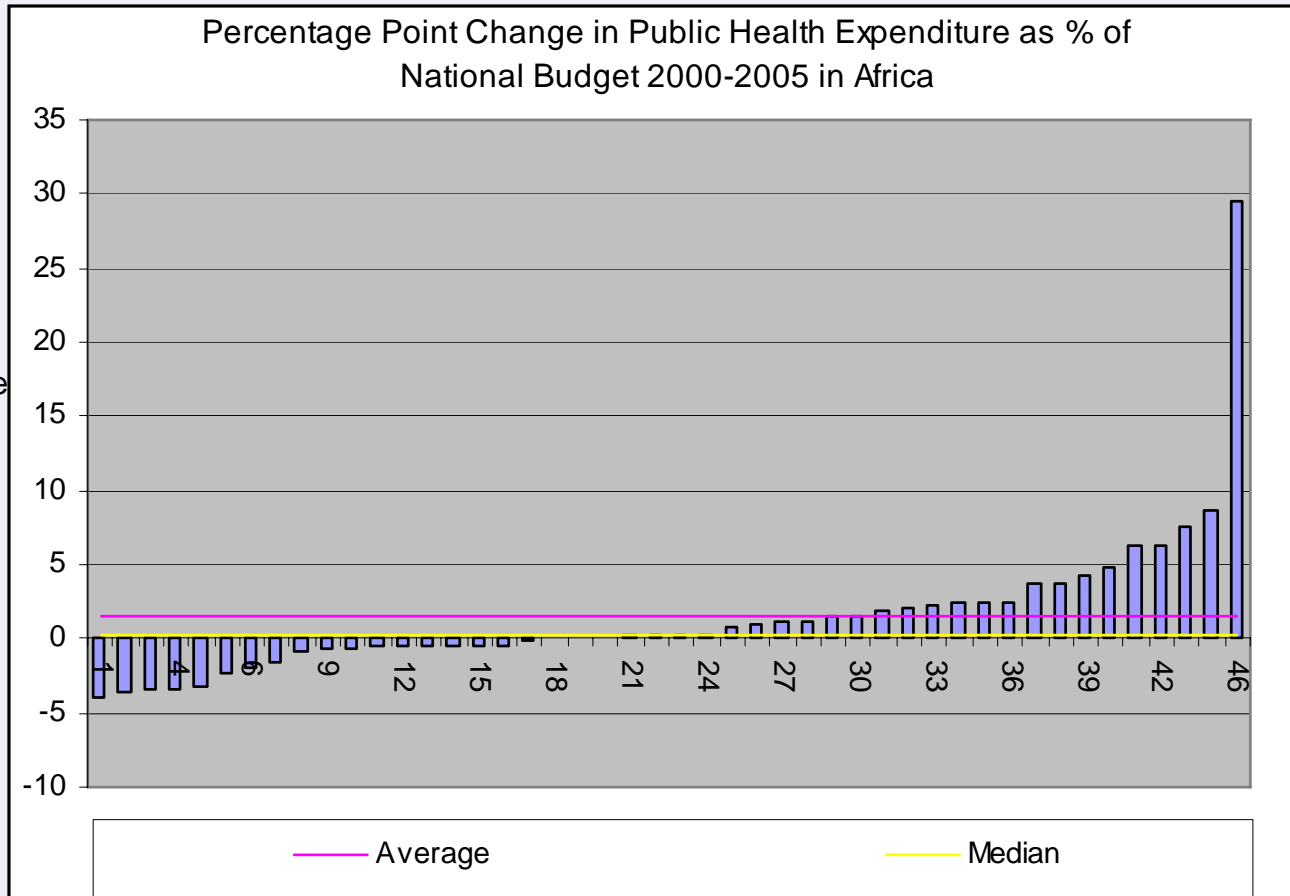
1. Burundi
2. Nigeria
3. Guinea
4. Eritrea
5. Congo
6. Cote d'Ivoire
7. Angola
8. Mauritania
9. Gambia
10. Guinea-Bissau
11. Togo
12. Equatorial Guinea
13. Sudan
14. CDR
15. Niger
16. Senegal
17. Kenya
18. Comoros
19. Ghana
20. Sierra Leone
21. Tanzania
22. Zimbabwe
23. Mozambique
24. Mauritius



25. Chad
26. Madagascar
27. Cape Verde
28. Uganda
29. Seychelles
30. Benin
31. Liberia
32. Ethiopia
33. CAR
34. South Africa
35. Swaziland
36. Zambia
37. Cameroon
38. Sao Tome & P
39. Mali
40. Lesotho
41. Botswana
42. Namibia
43. Gabon
44. Burkina-Faso
45. Rwanda
46. Malawi

But Progress Towards the Abuja Targets Has Been Slow

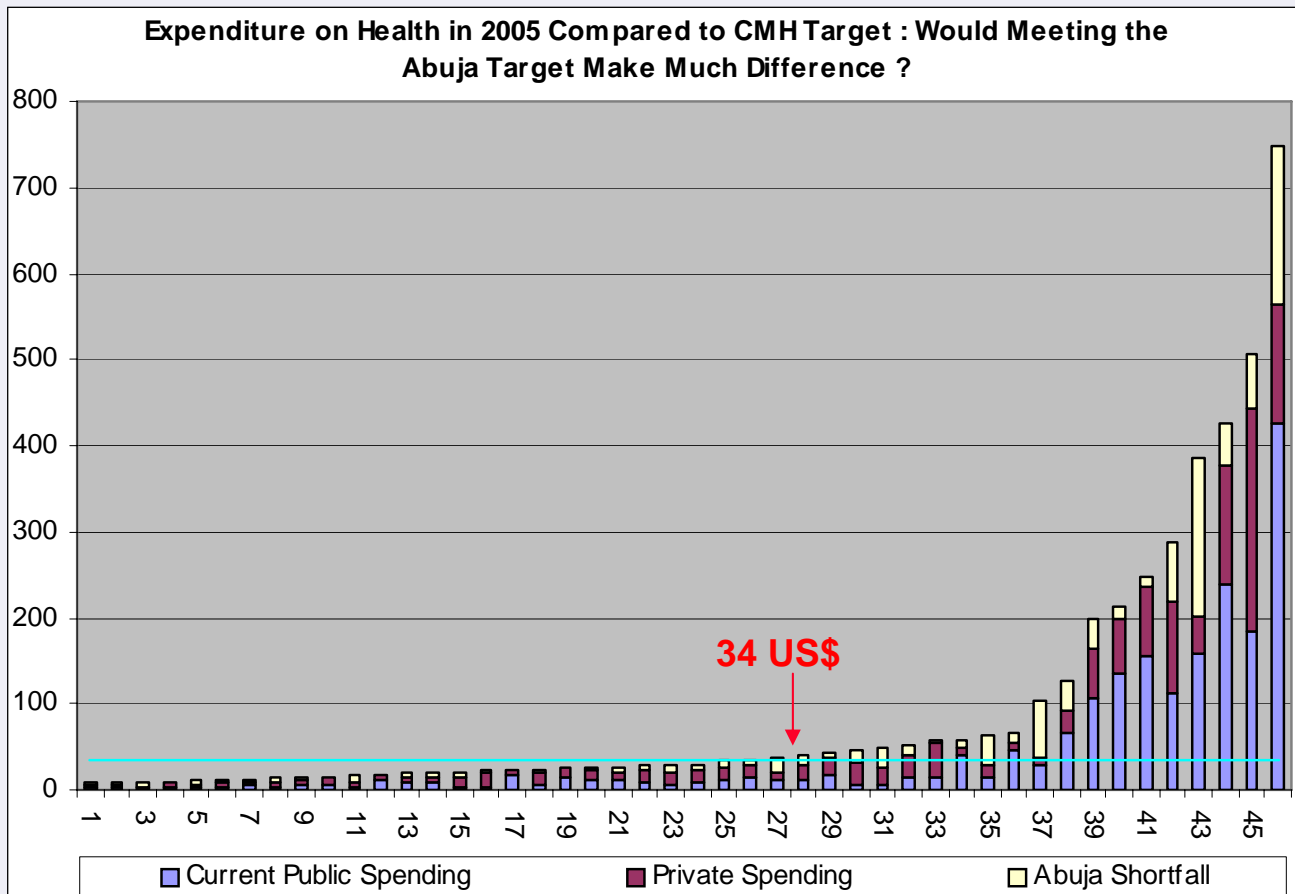
- 1.Mozambique
- 2.Chad
- 3.Kenya
- 4.Niger
- 5.Tanzania
- 6.Gambia
- 7.Comoros
- 8.Ghana
- 9.Senegal
- 10.Equatorial Guinea
- 11.Nigeria
- 12.Cote d'Ivoire
- 13.Eritrea
- 14.Congo
- 15.Mauritania
- 16.Benin
- 17.Swaziland
- 18.Sudan
- 19.Togo
- 20.Ethiopia
- 21.Gabon
- 22.South Africa
- 23.Burundi



- 24.Cape Verde
- 25.Guinea
- 26.Uganda
- 27.CAR
- 28.Sierra Leone
- 29.Namibia
- 30.Angola
- 31.Zimbabwe
- 32.Zambia
- 33.Cameroon
- 34.Lesotho
- 35.Mali
- 36.Mauritius
- 37.Madagascar
- 38.Seychelles
- 39.Guinea Bissau
- 40.Sao Tome & Pr.
- 41.Botswana
- 42.Burkina Faso
- 43.CDR
- 44.Rwanda
- 45.Liberia
- 46.Malawi

More Public Spending Is Not Enough To Reach the MDGs

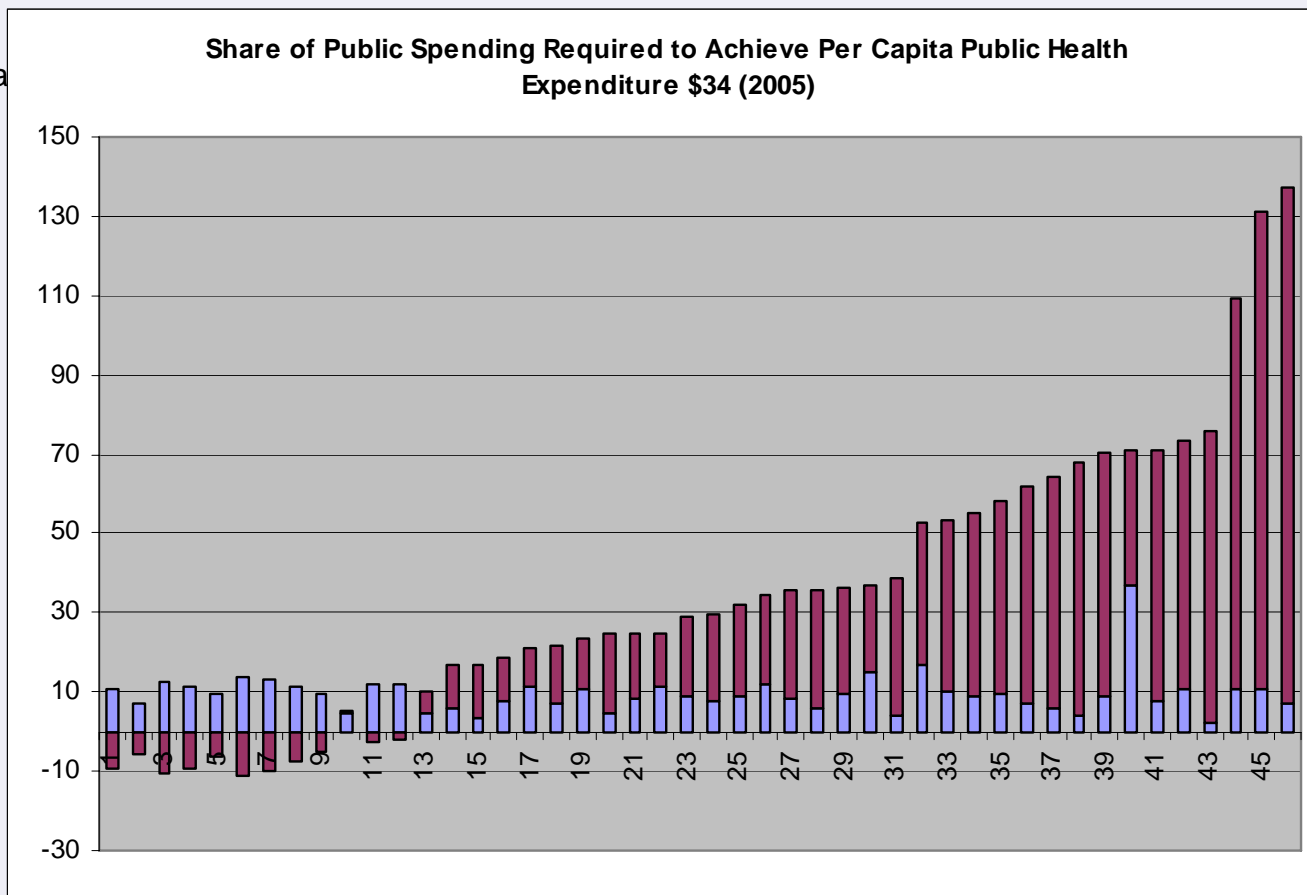
- 1.CDR
- 2.Ethiopia
- 3.Burundi
- 4.Liberia
- 5.Sierra Leone
- 6.Niger
- 7.Madagascar
- 8.Malawi
- 9.Guinea Bissau
- 10.Tanzania
- 11.CAR
- 12.Rwanda
- 13.Eritrea
- 14.Mozambique
- 15.Comoros
- 16.Guinea
- 17.Togo
- 18.Uganda
- 19.Burkina-Faso
- 20.Mali
- 21.Zimbabwe
- 22.Chad
- 23.Gambia



- 24.Kenya
- 25.Ghana
- 26.Benin
- 27.Mauritania
- 28.Sudan
- 29.Zambia
- 30.Cote d'Ivoire
- 31.Nigeria
- 32.Senegal
- 33.Cameroon
- 34.Sao Tome & Pr.
- 35.Congo
- 36.Lesotho
- 37.Angola
- 38.Cape Verde
- 39.Swaziland
- 40.Namibia
- 41.Gabon
- 42.Mauritius
- 43.Equatorial Guinea
- 44.Botswana
- 45.South Africa
- 46.Seychelles

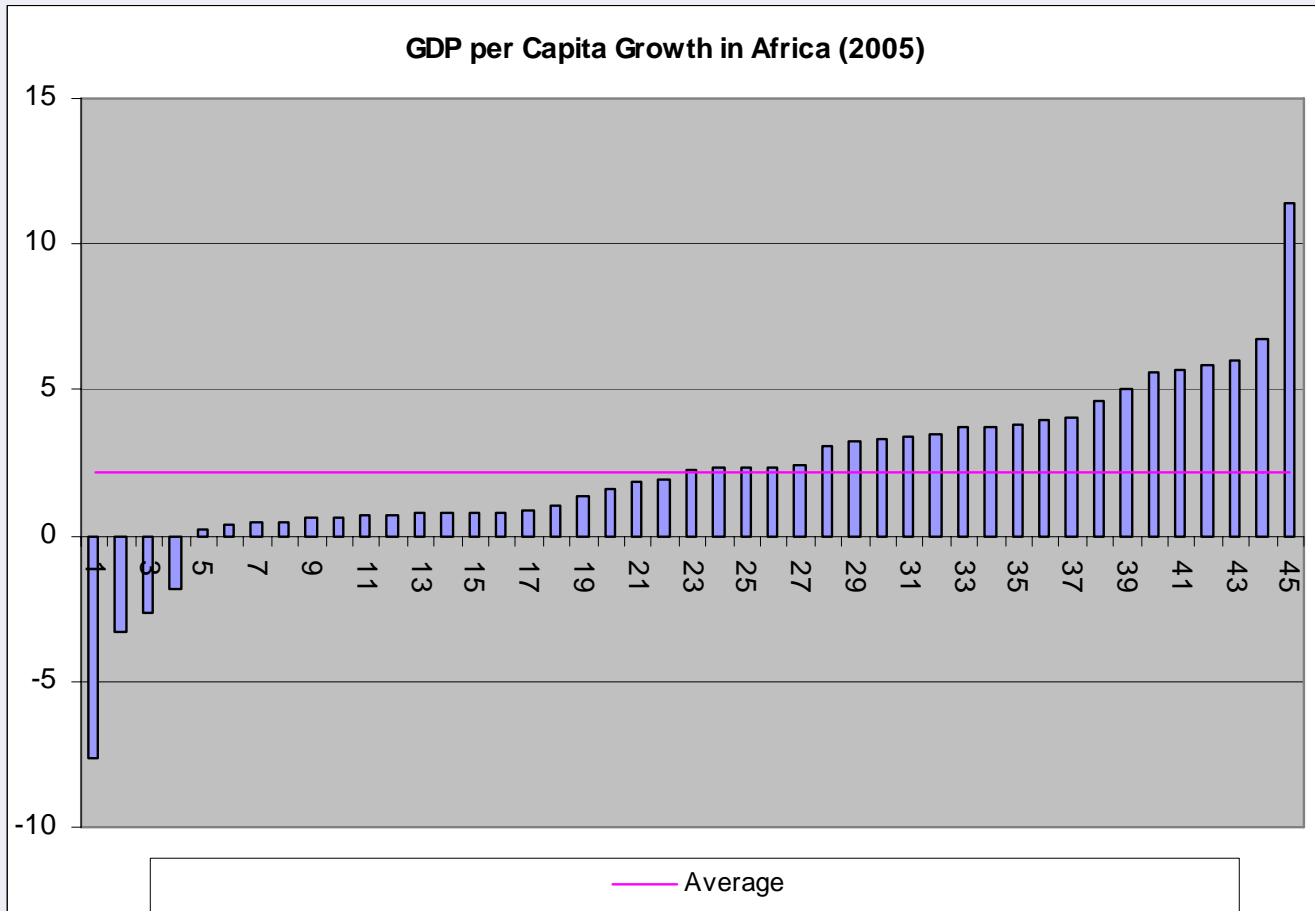
How Much Would it Take to Get There

Share of Public Spending Required to Achieve Per Capita Public Health Expenditure \$34 (2005)



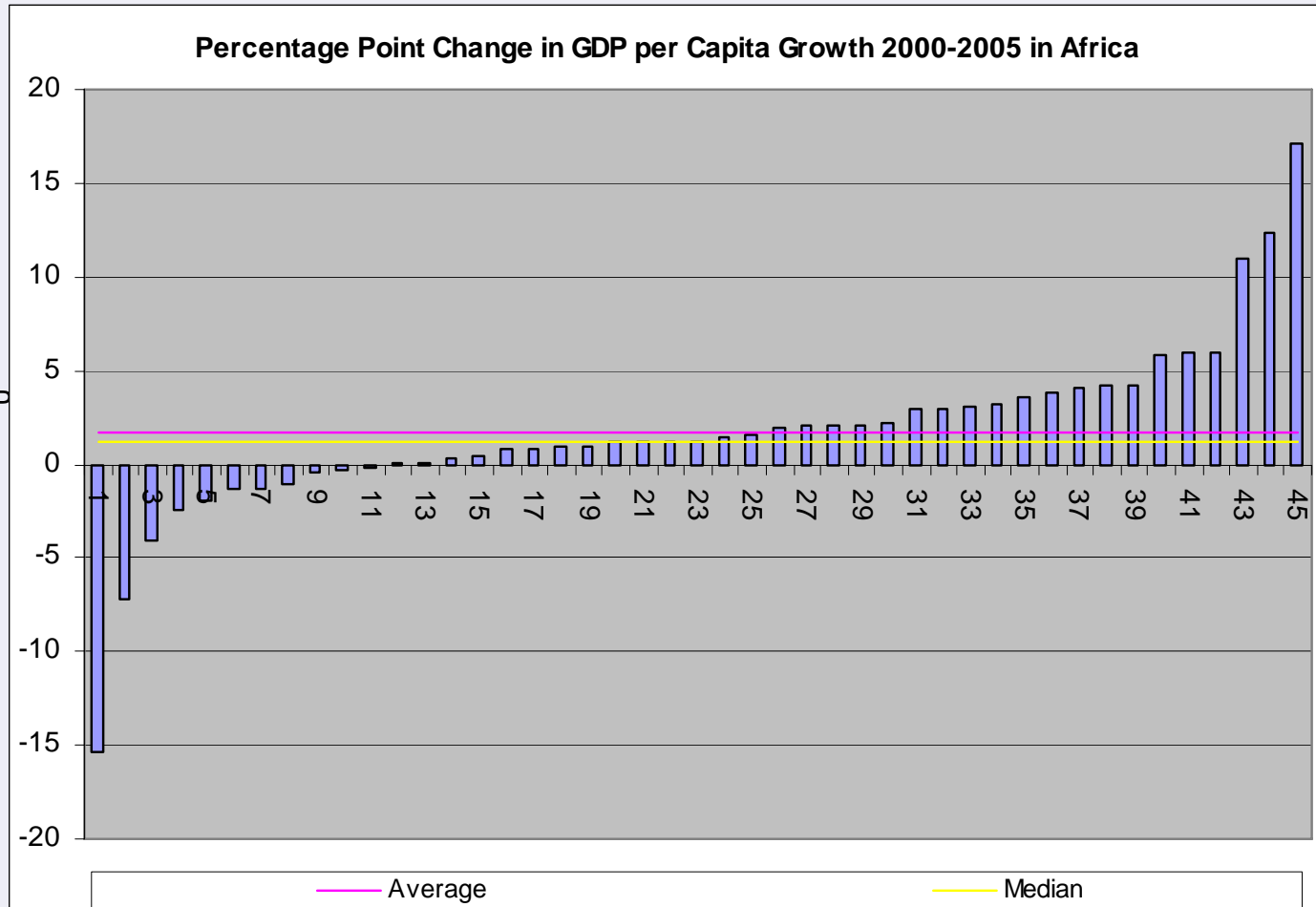
Economic Growth Is Critical

1. Zimbabwe
2. Seychelles
3. Burundi
4. Cote d'Ivoire
5. Togo
6. Malawi
7. Kenya
8. Guinea Bissau
9. Gabon
10. Sao Tome & Pr.
11. Benin
12. Comoros
13. Eritrea
14. Swaziland
15. Guinea
16. Cameroon
17. CAR
18. Niger
19. Lesotho
20. Burkina Faso
21. Madagascar
22. Uganda
23. Gambia



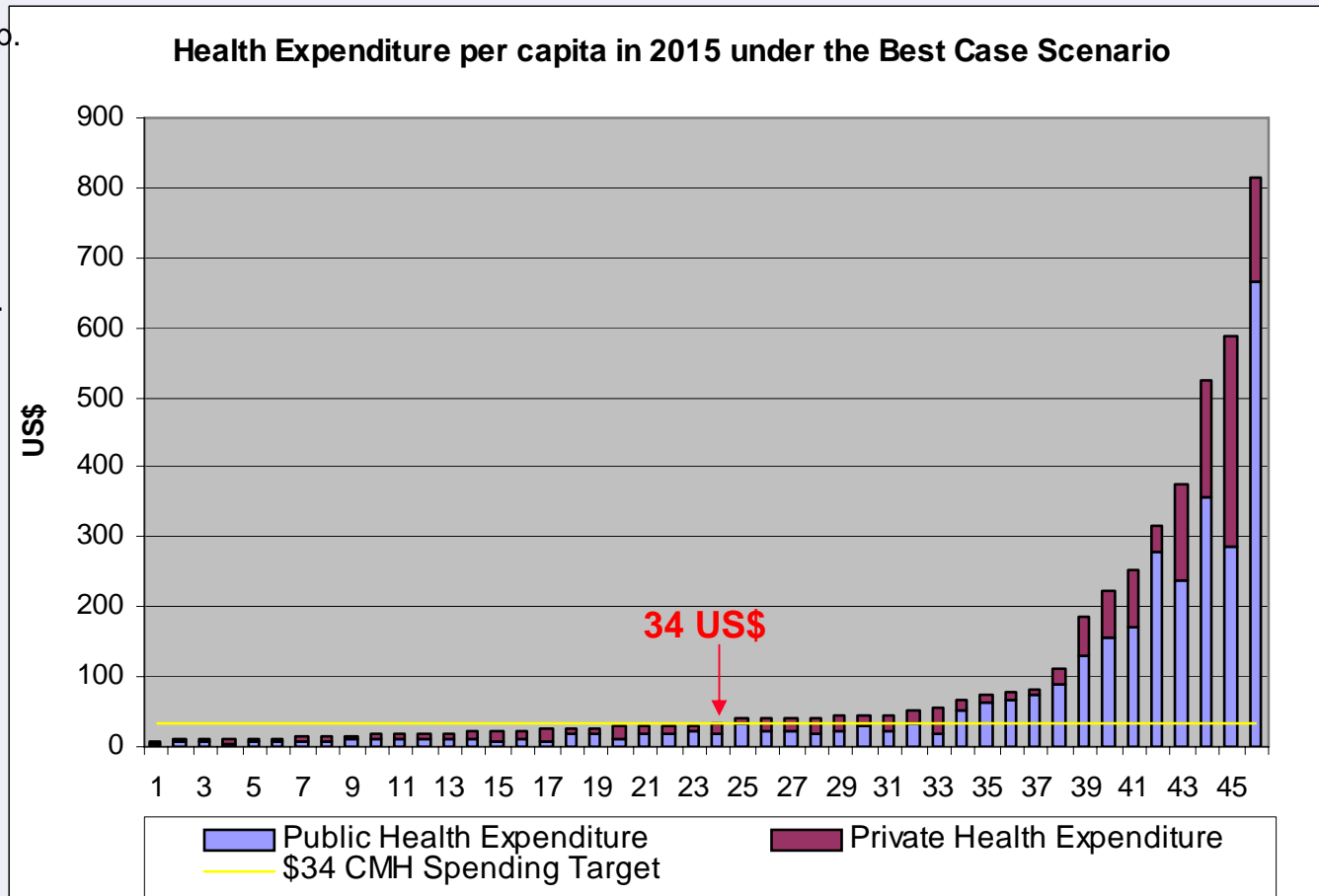
24. Mali
25. Chad
26. Mauritania
27. Namibia
28. Cape Verde
29. Rwanda
30. Mauritius
31. Zambia
32. CDR
33. Ghana
34. Senegal
35. Sierra Leone
36. Liberia
37. Botswana
38. Nigeria
39. Tanzania
40. South Africa
41. Mozambique
42. Sudan
43. Congo
44. Angola
45. Equatorial Guinea

Countries with Negative Growth Will Do Much Worse



Gov. Commitment + Growth + Insurance

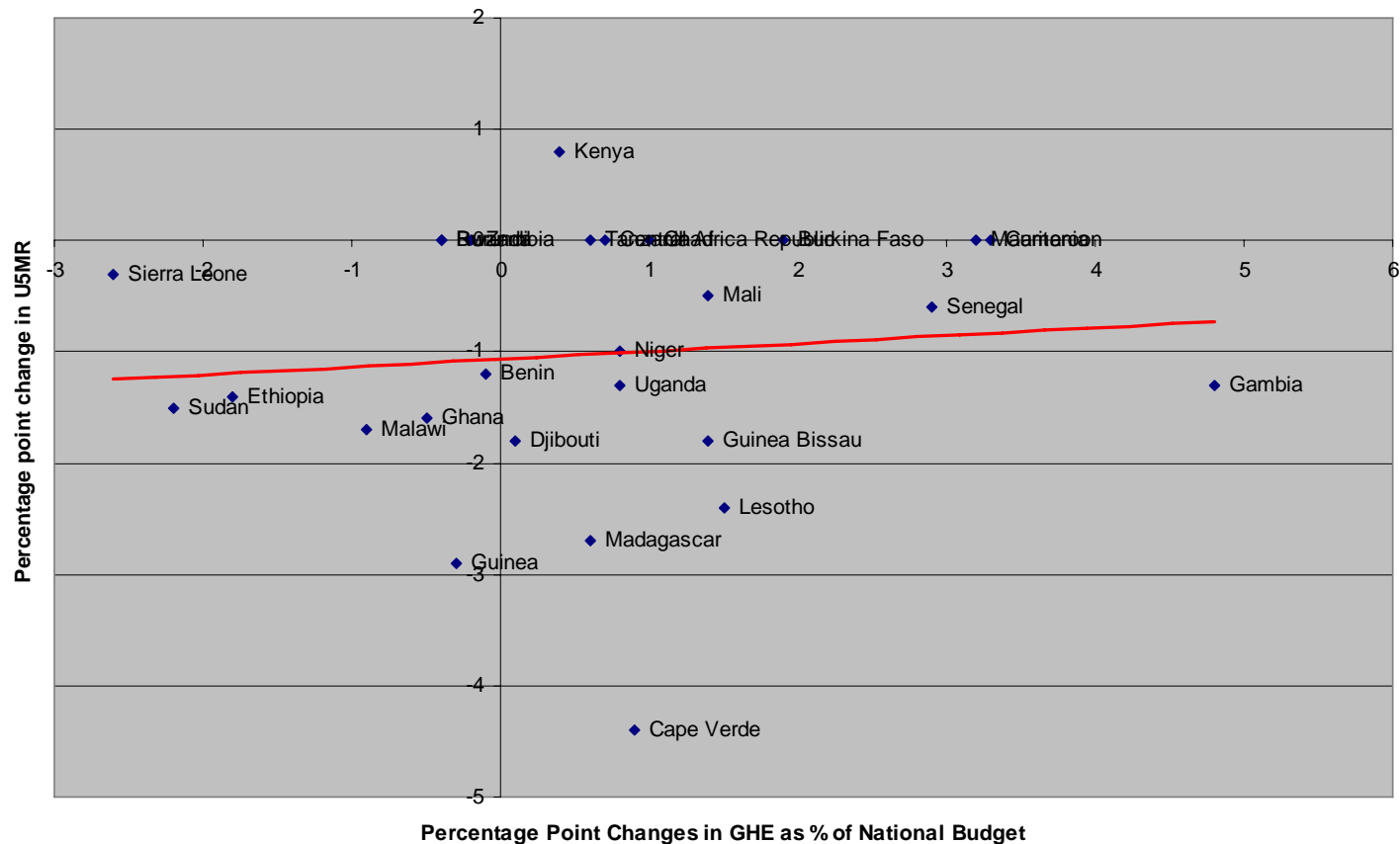
- 1.Congo Dem. Rep.
- 2.Niger
- 3.Ethiopia
- 4.Liberia
- 5.Sierra Leone
- 6.Burundi
- 7.Guinea Bissau
- 8.Central Afr. Rep.
- 9.Madagascar
- 10.Comoros
- 11.Eritrea
- 12.Chad
- 13.Tanzania
- 14.Mali
- 15.Togo
- 16.Burkina Faso
- 17.Guinea
- 18.Mozambique
- 19.Benin
- 20.Uganda
- 21.Rwanda
- 22.Ghana
- 23.Malawi



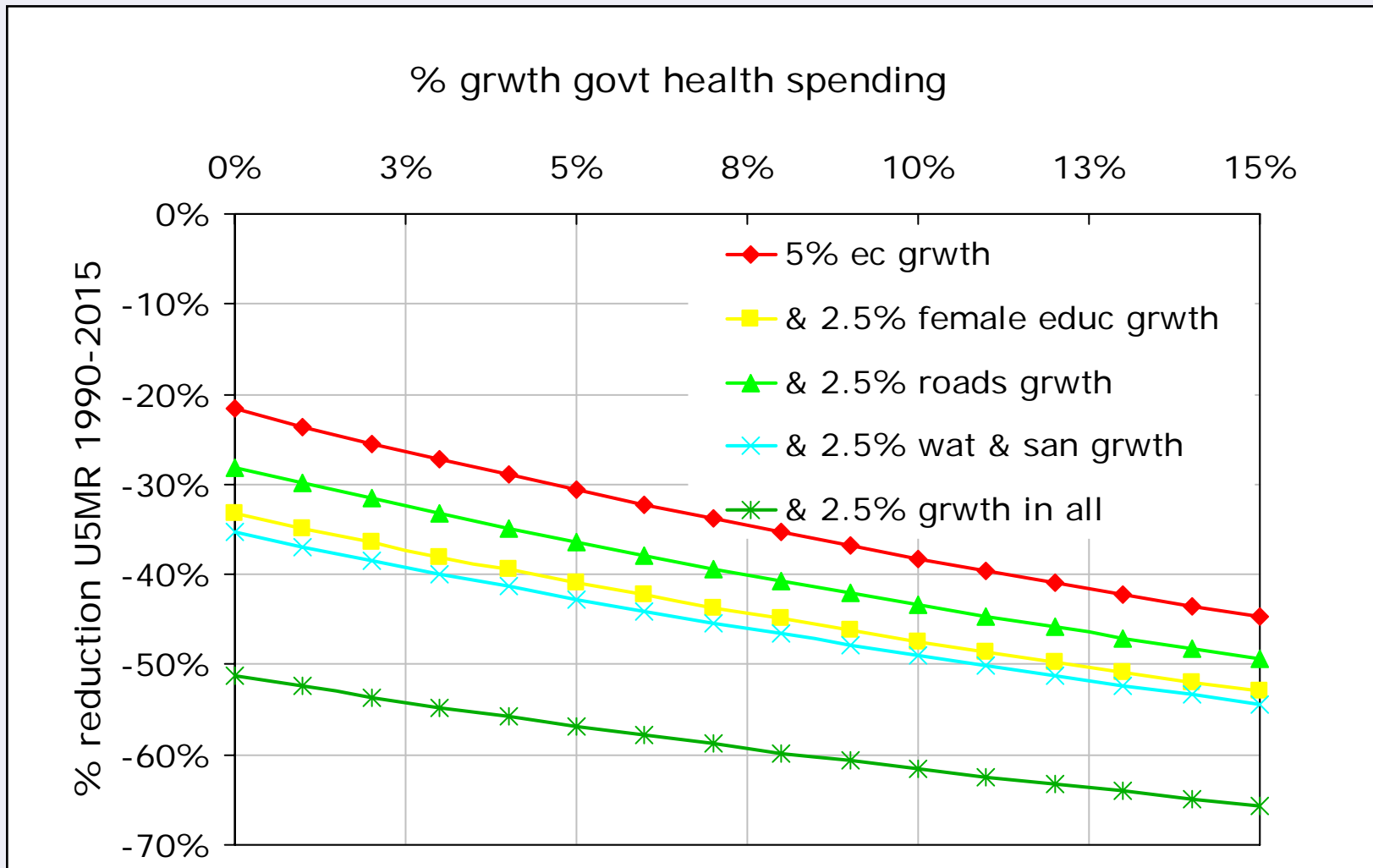
- 24.Kenya
- 25.Mauritania
- 26.Sudan
- 27.Zambia
- 28.Cote d'Ivoire
- 29.Senegal
- 30.Nigeria
- 31.Gambia
- 32.Zimbabwe
- 33.Cameroon
- 34.Congo Rep.
- 35.Sao Tome & Pr.
- 36.Lesotho
- 37.Angola
- 38.Cape Verde
- 39.Swaziland
- 40.Namibia
- 41.Gabon
- 42.Equatorial Guinea
- 43.Mauritius
- 44.Botswana
- 45.South Africa
- 46.Seychelles

Countries that Spend More Are Doing a Bit Better

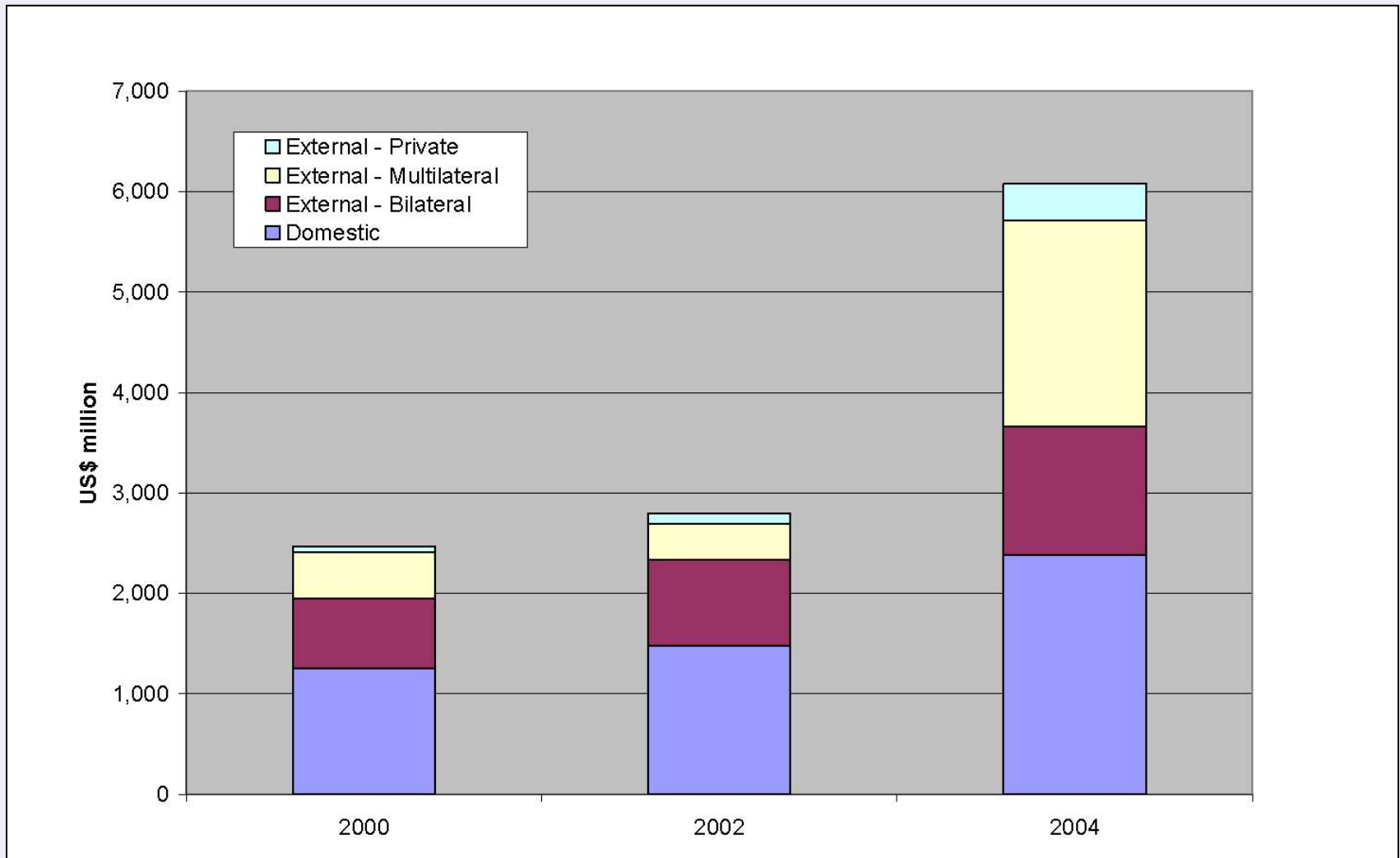
Percentage point Changes in U5MR and GHE as Percentage of National Budget 1998-2002



More Spending on Health is Needed but Spending Needed Elsewhere



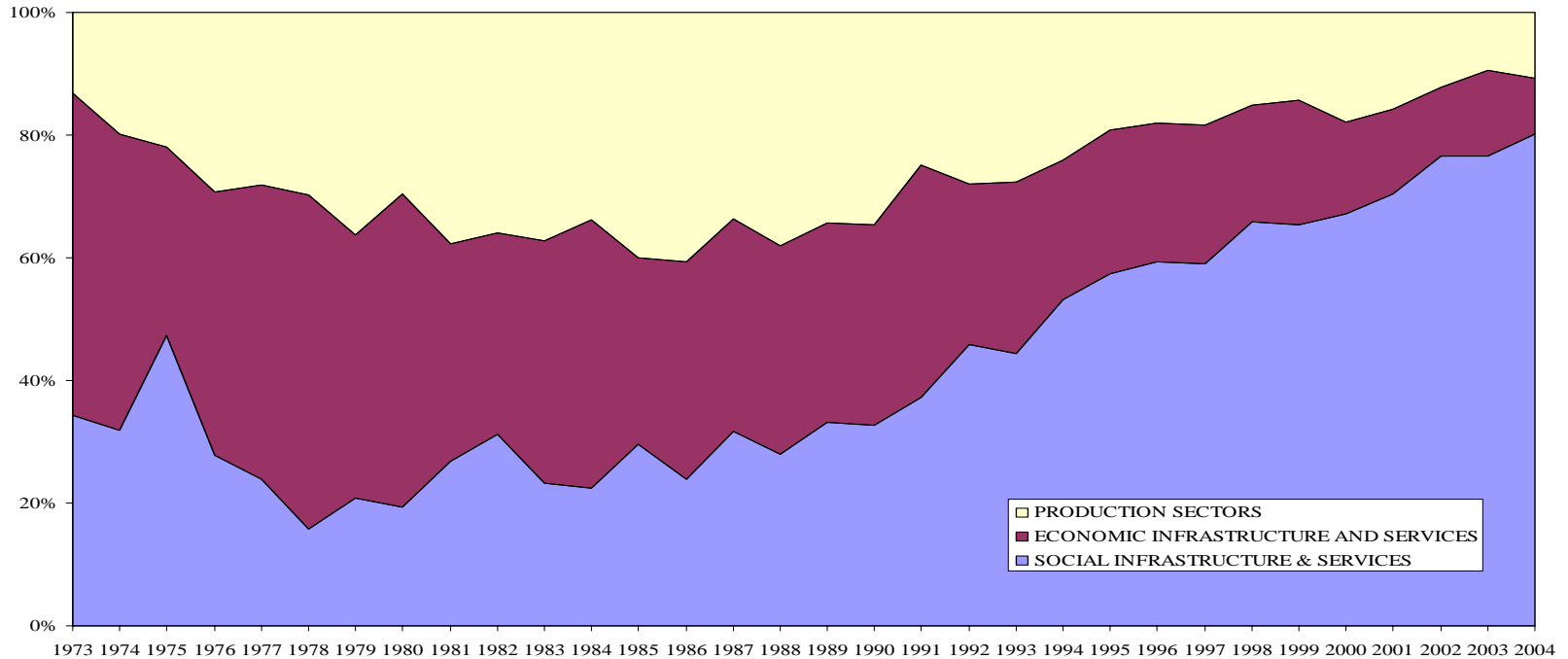
External Spending for Health Has Increased Dramatically Recently



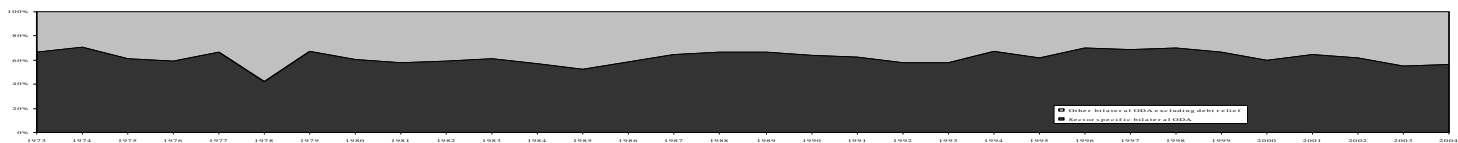
External Aid to SSA

Growth in Social Sector Spending

Composition of bilateral sectorspecific ODA from OECD members to all Sub-Saharan Africa



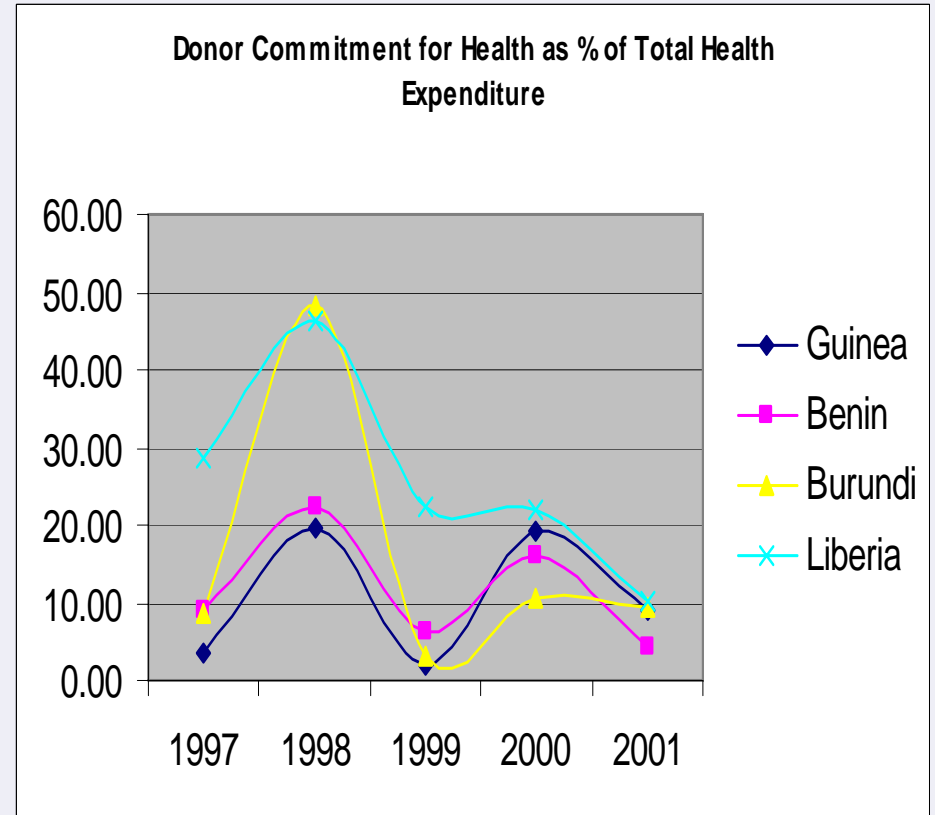
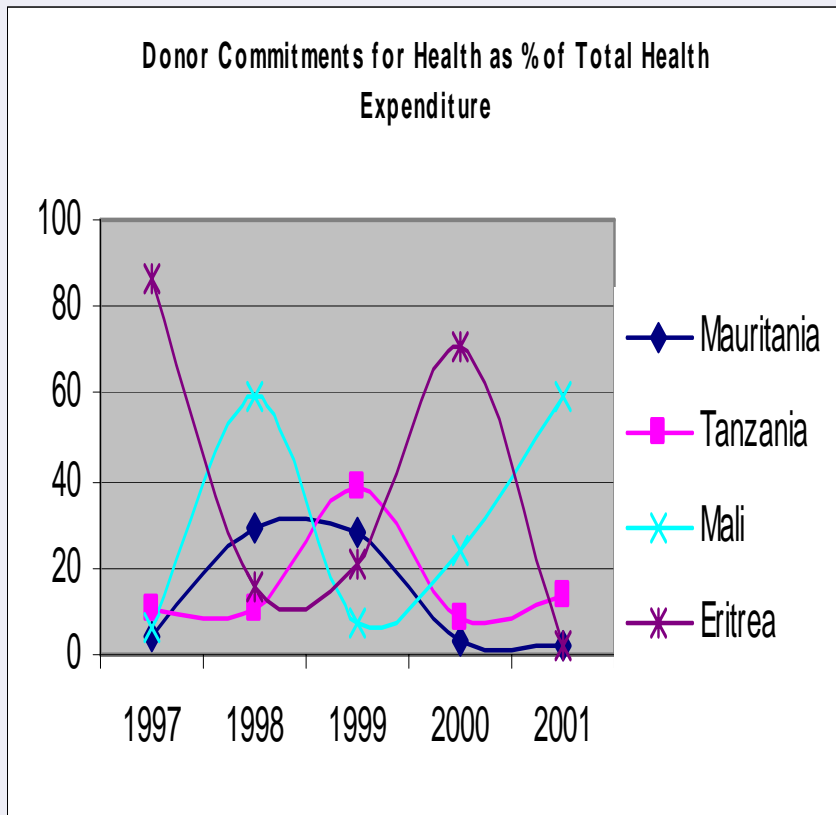
Share of sectorspecific ODA to all Sub-Saharan Africa



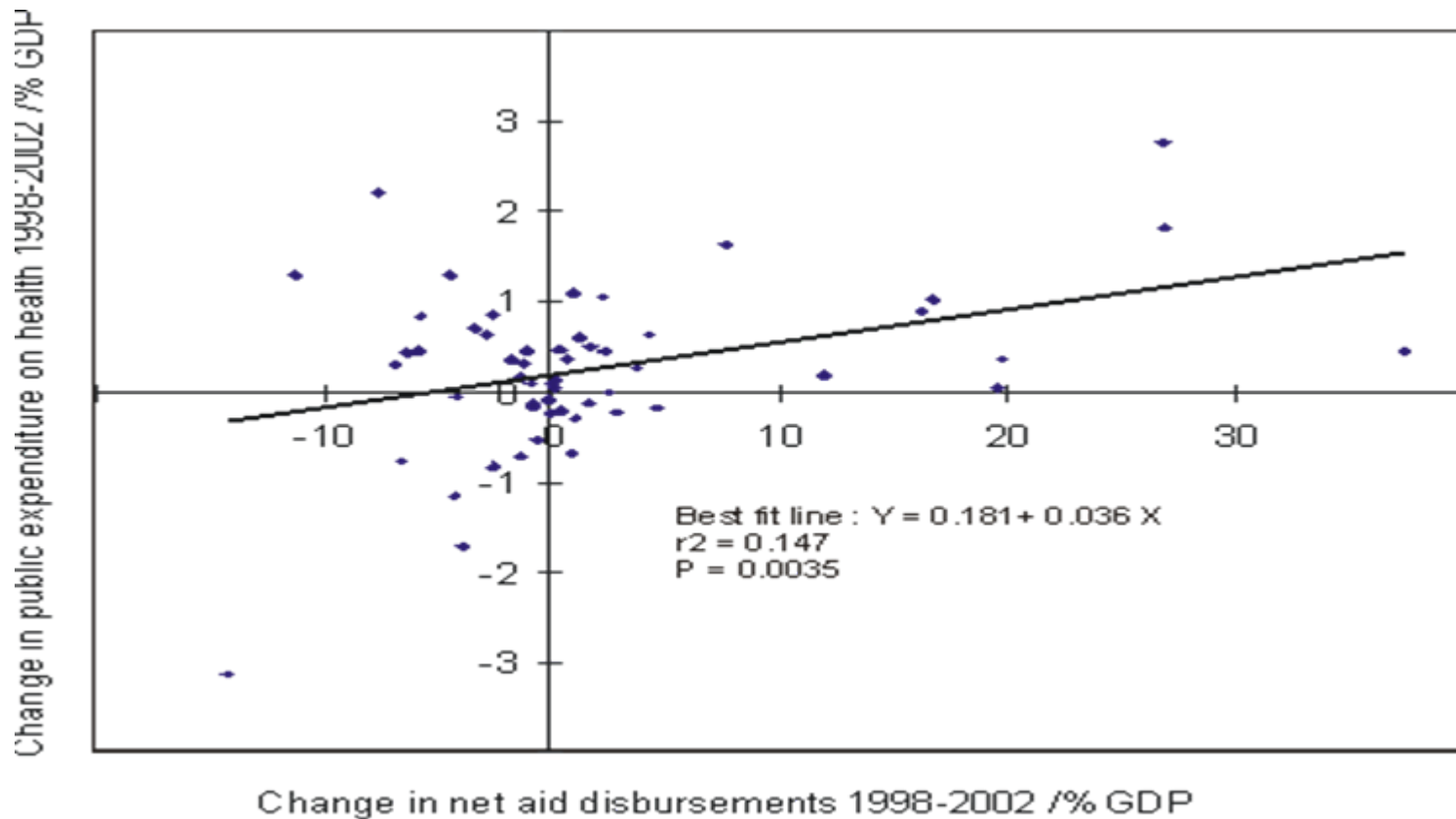
Source: OECD DAC

There are Problems with Donor Funding

Predictability and Longevity of ODA Must Be Improved

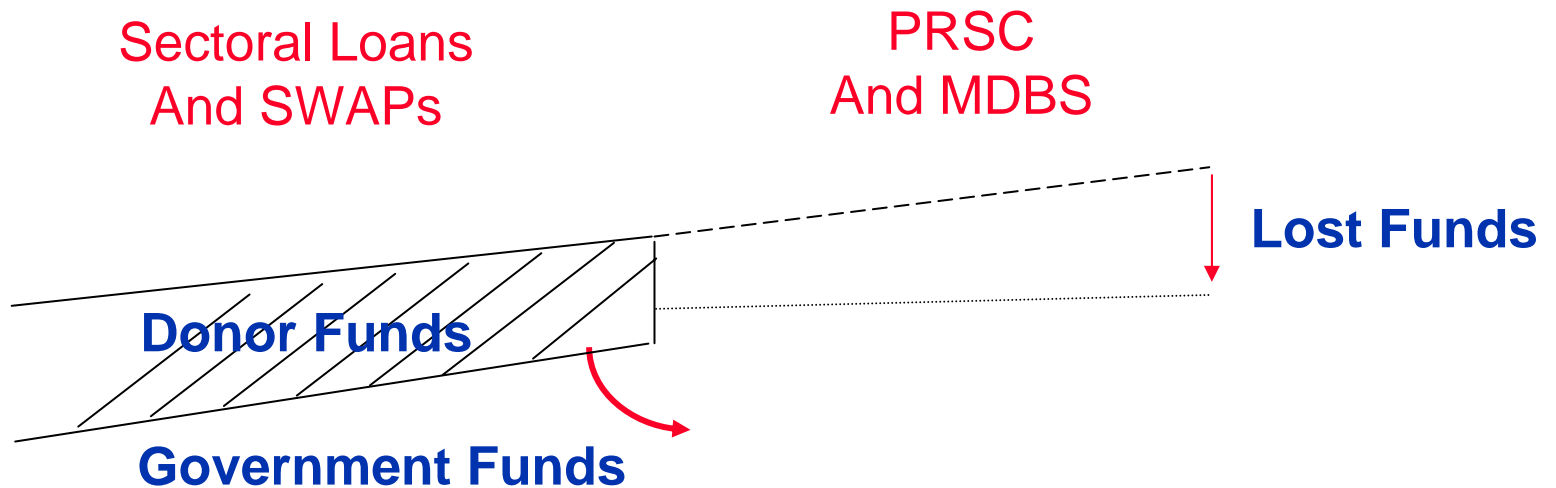


Fungibility of Donor Funding (Substitutes for Domestic Funding)



Source: Williams & Hay, 2005

Basket Funding and MDBS Have their Own Problems for Health Sector

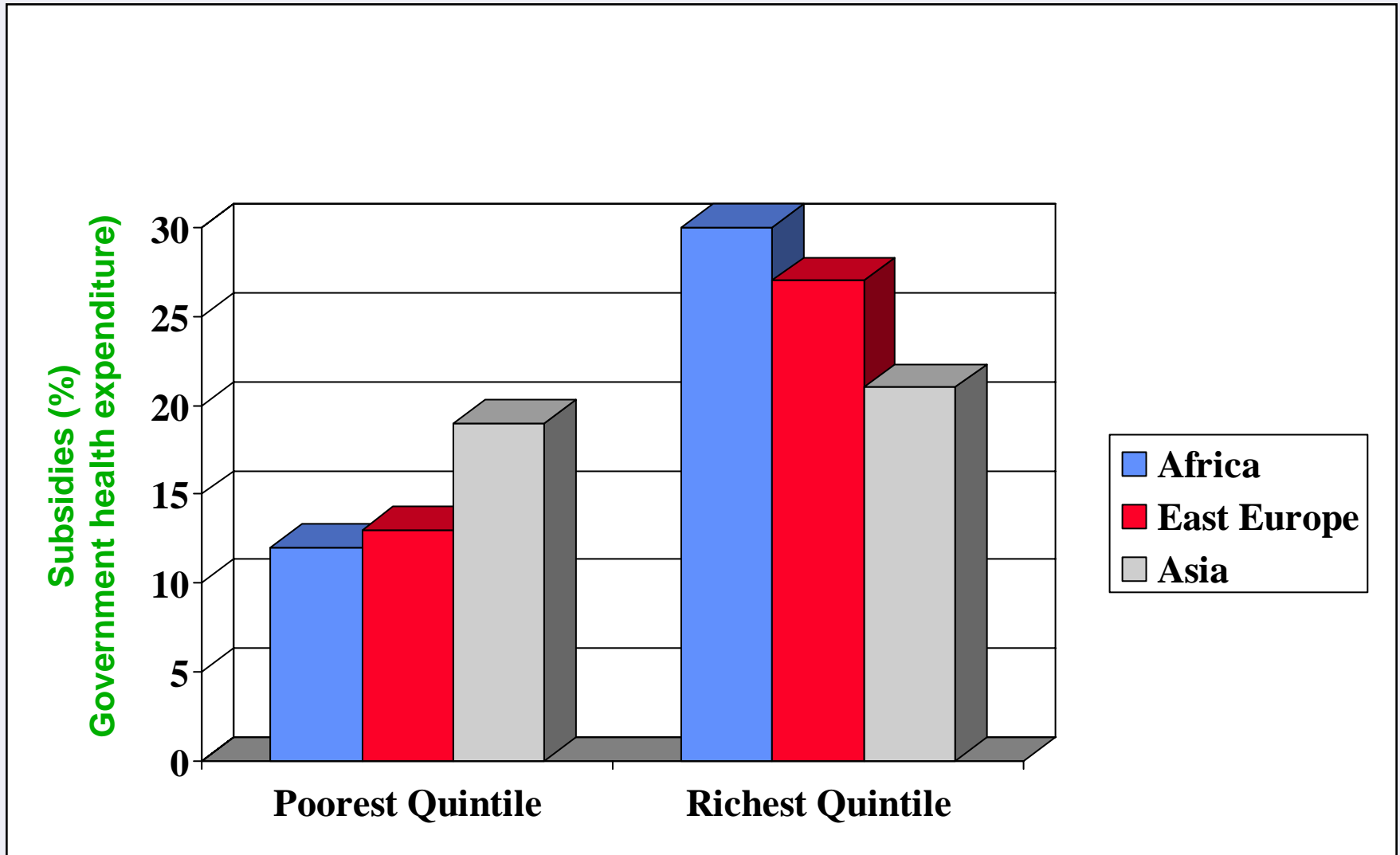


Conclusions

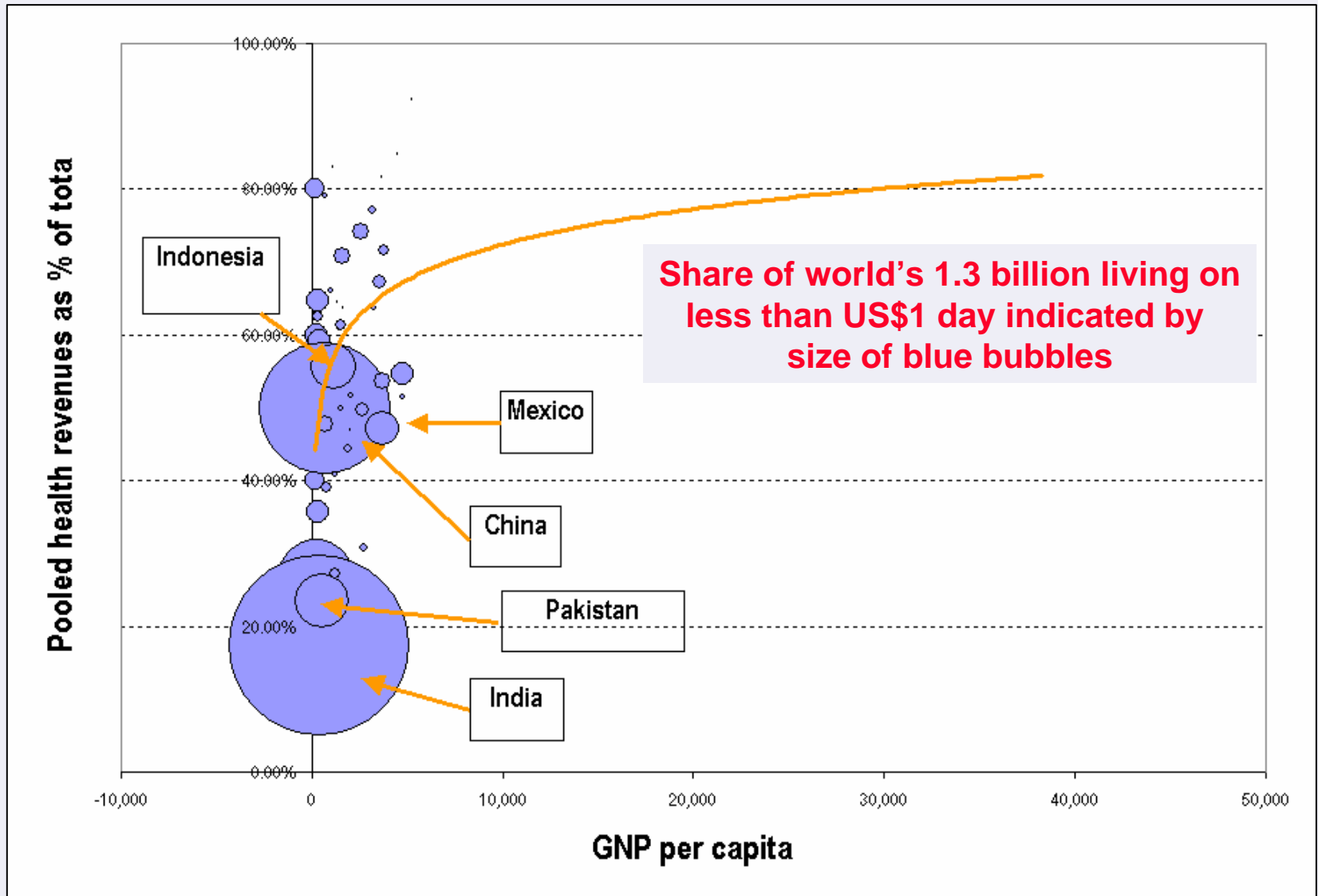
- No Magic Bullets
- More Money (Public and Private)
- Improved Risk Pooling
- Better Spending on Priority Programs
- Need for Better Engagement of Private Sector

The End

African Countries Have Pro-Rich Bias of Public Subsidies

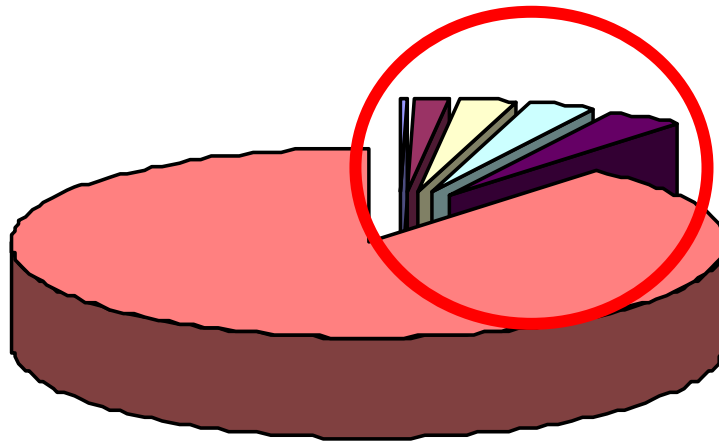


Low Income Countries Have Less Protection Against Financial Risk



Only 11 Percent of Global Spending for 90 Percent of the World's Population

Africa Gets the Smallest Share of the Pie



- Africa 0.4%
- Middle East and N Africa 1.5%
- Europe 2.4%
- Americas 3.2
- Asia 3.5%
- Developed Countries 88.9%