

Financing Human Resources for Health

Five Questions for the International Community



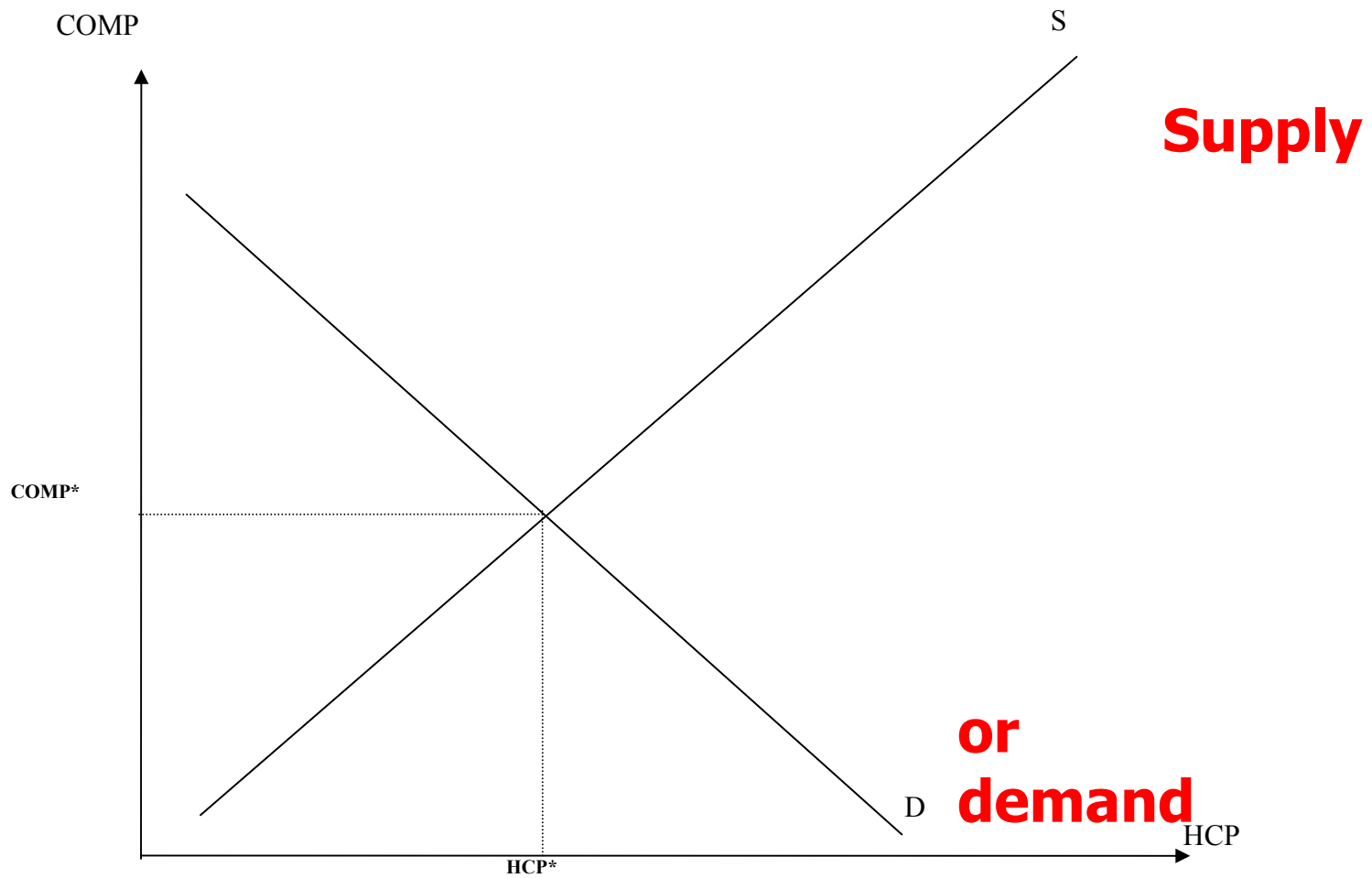
Agnes Soucat
World Bank



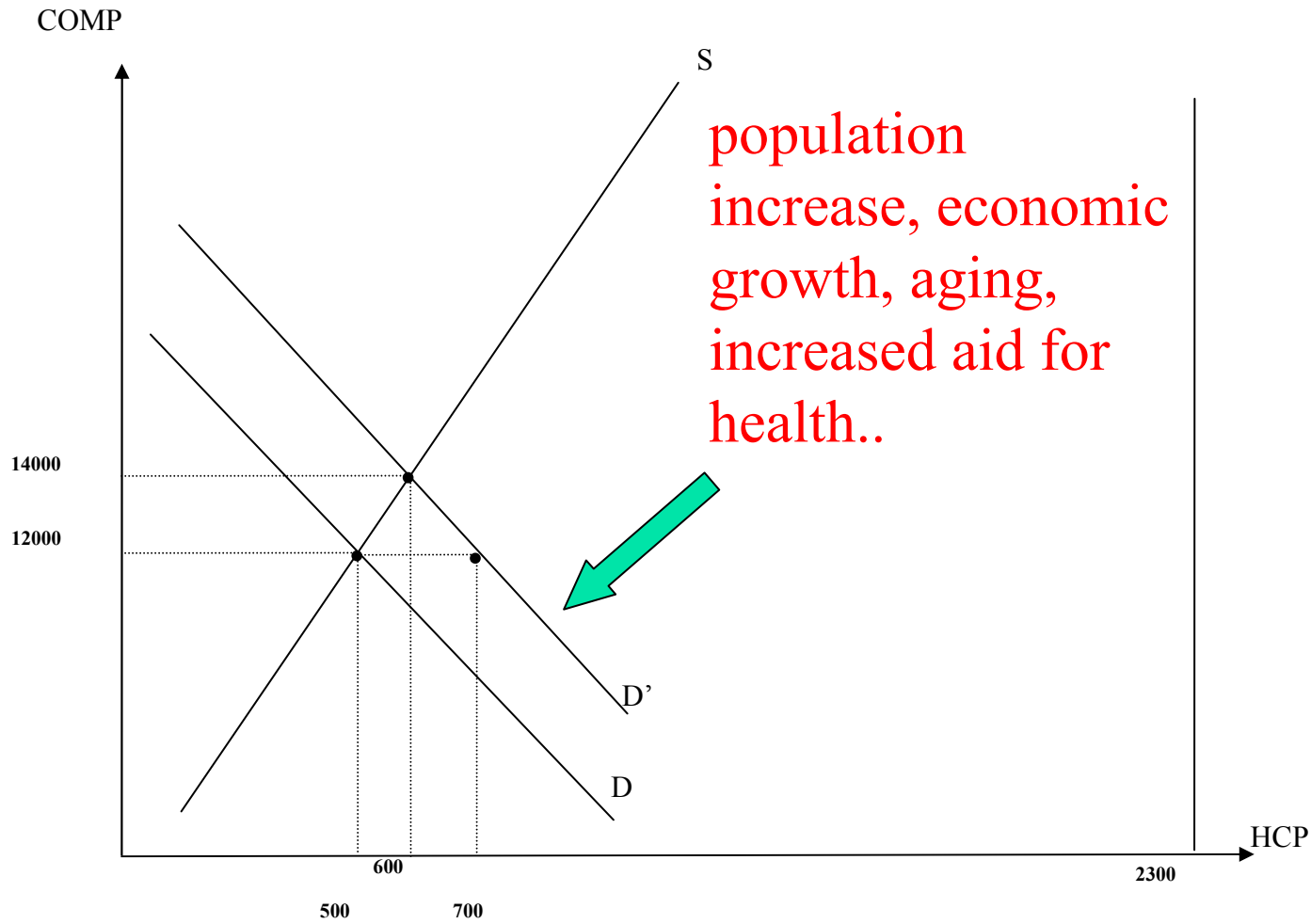
Five Questions

- Push or pull?
- Is scaling up expensive?
- Can we pay for it?
- What can donors do?
- And what about the IMF...

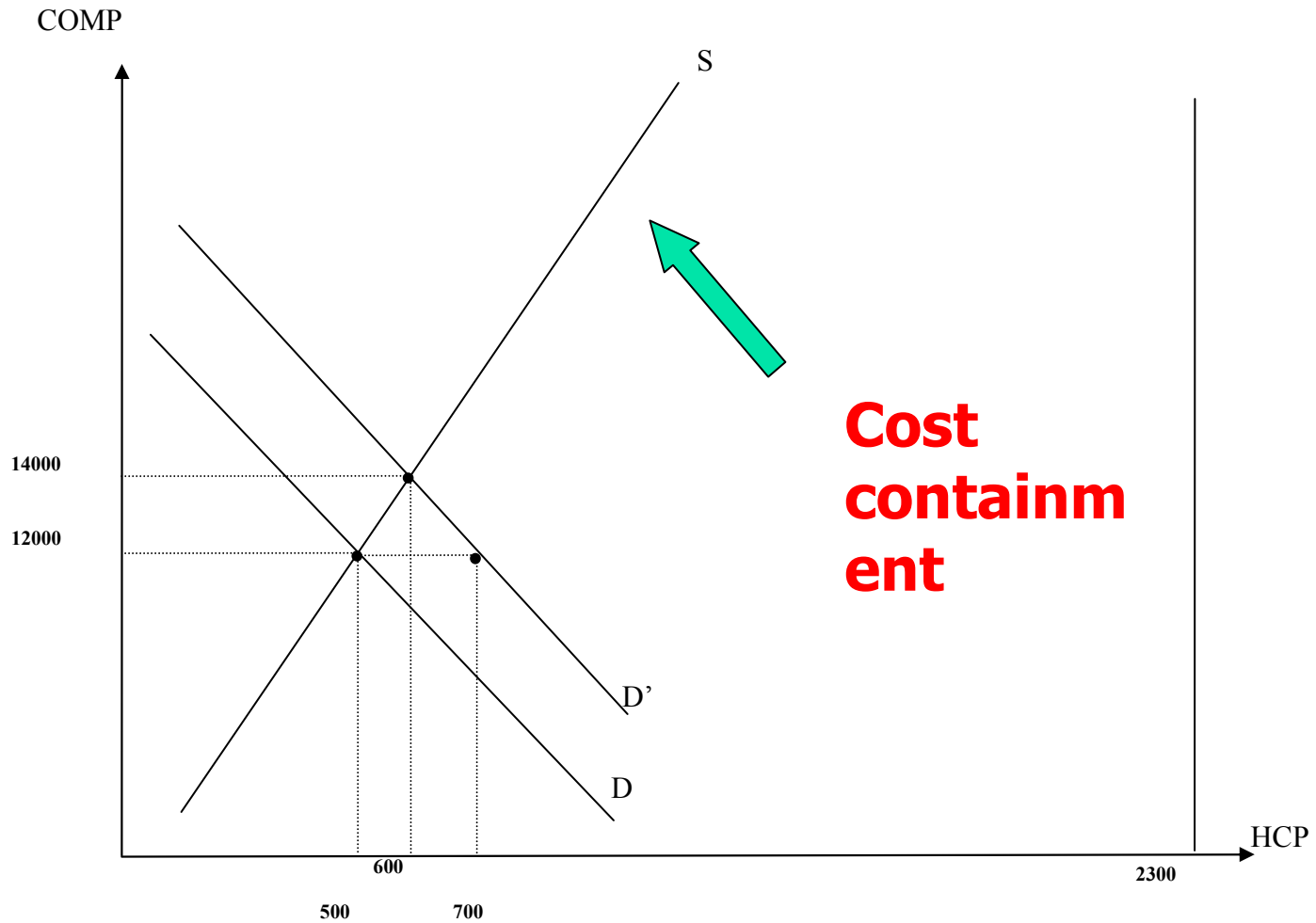
Push or pull ?



Pull...



But little push..

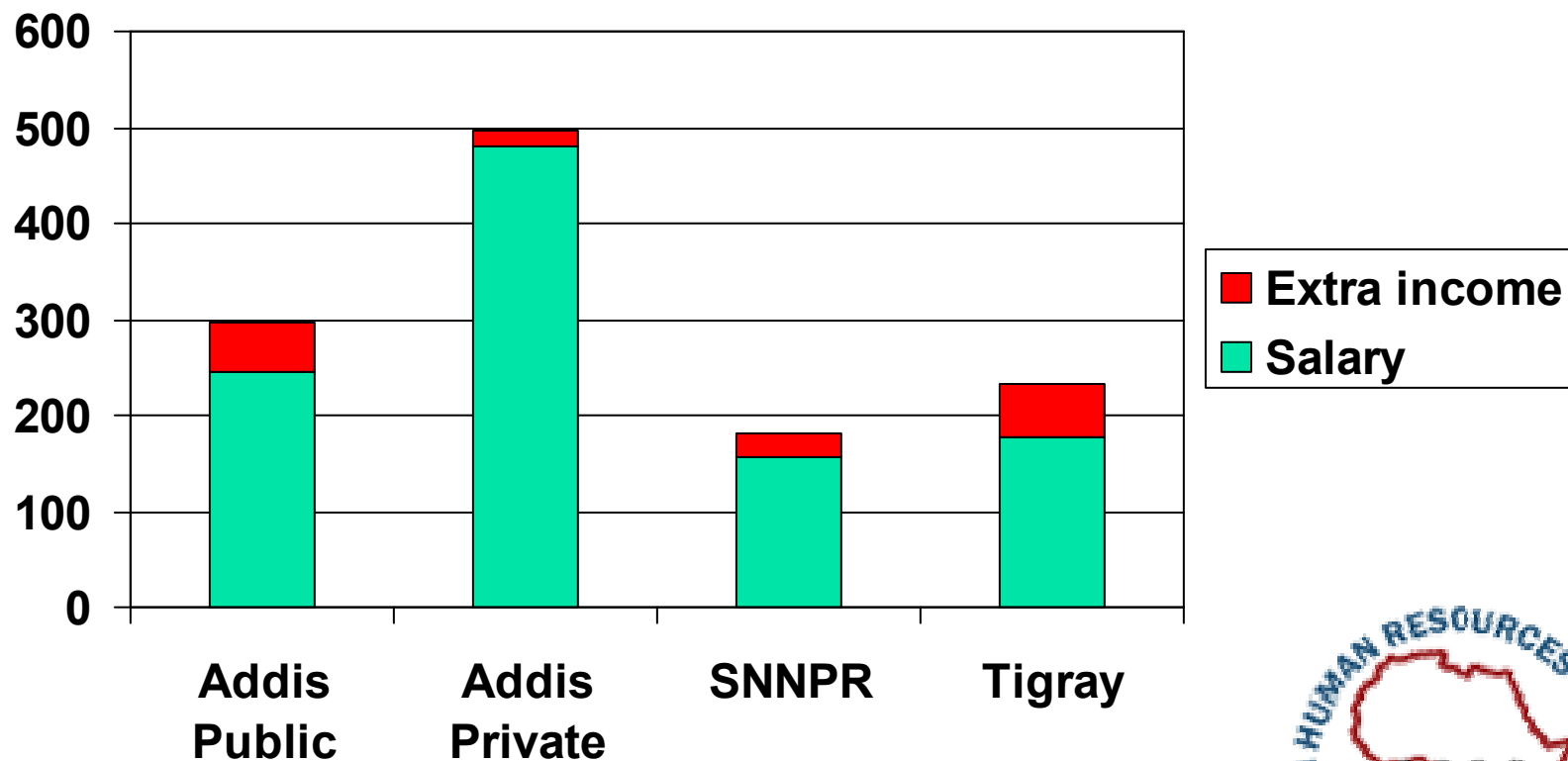




Price increase and shortage ..

- Migration
- Private Sector Practice
- Pressure on wages
- Private sector training

Market pressure in Ethiopia..



Source : World Bank- NORAD GATES HRH program

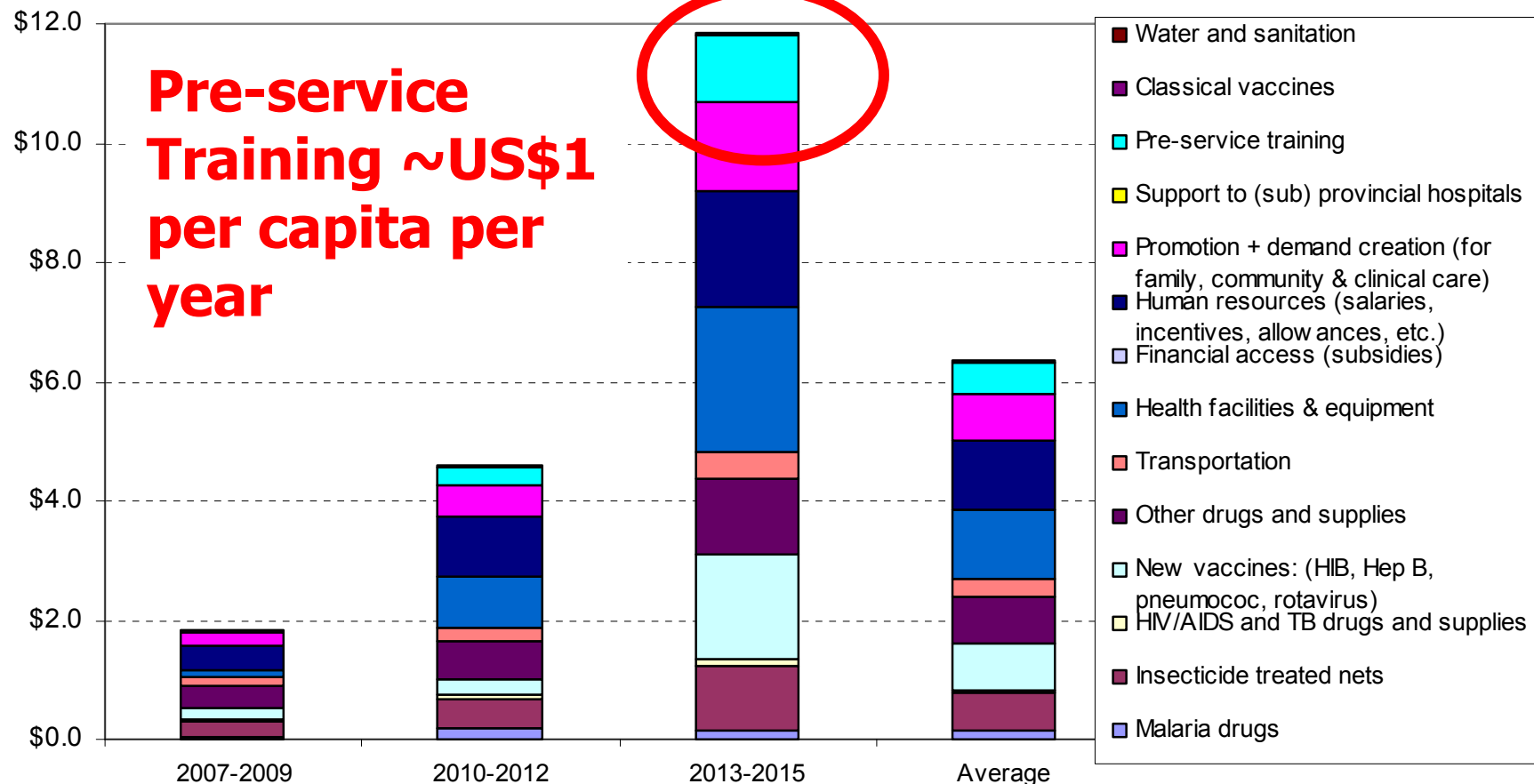


Is scaling up expensive?

- Costly.. or not that much ?

The cost of scaling Up for the MDGs

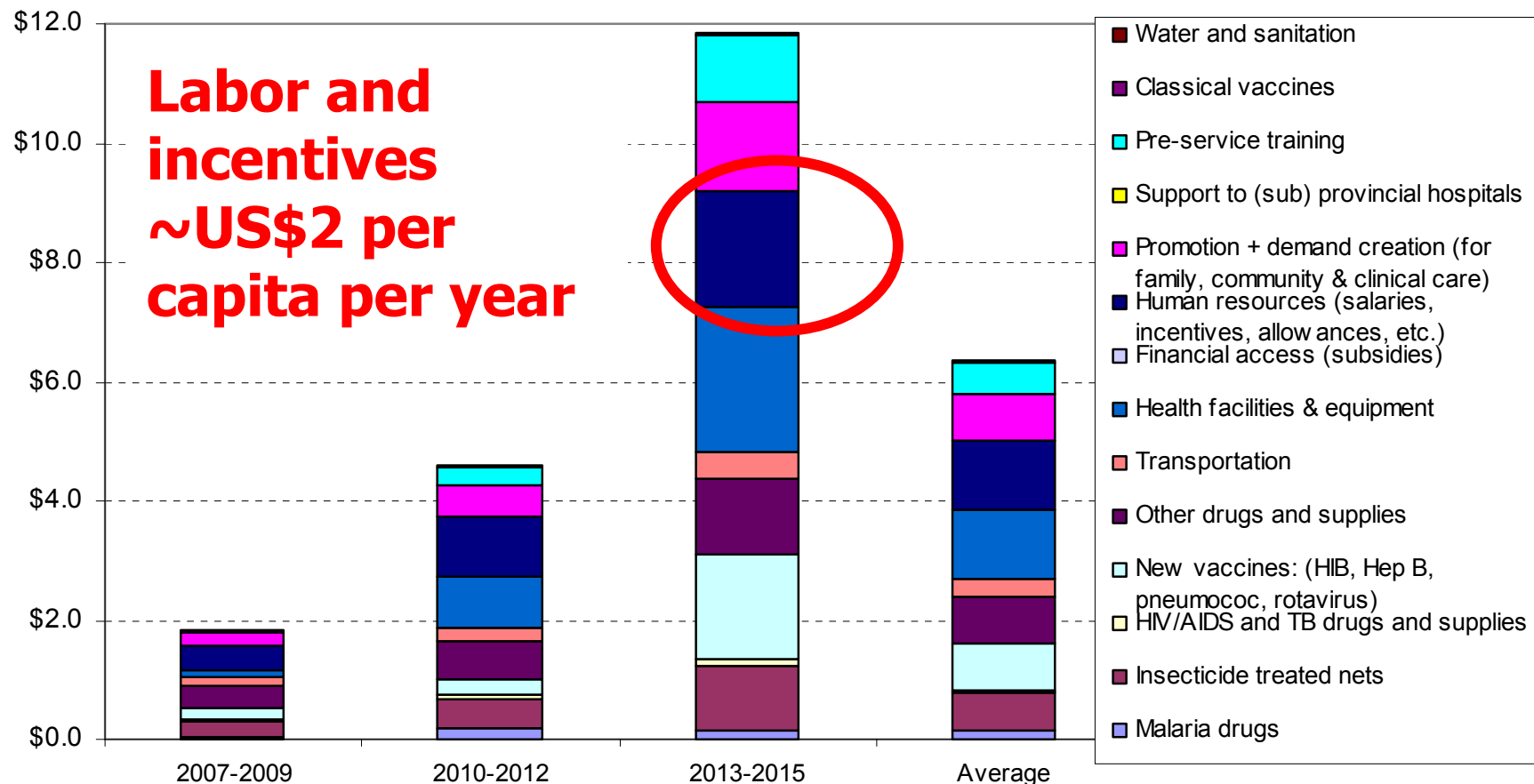
Incremental Costs to reach MDG 4,5 and 6 in 16 African countries



Source: WHO-UNICEF-World Bank Strategic Framework for the Africa Union

The cost of scaling Up for the MDGs

Incremental Costs to reach MDG 4,5 and 6 in 16 African countries



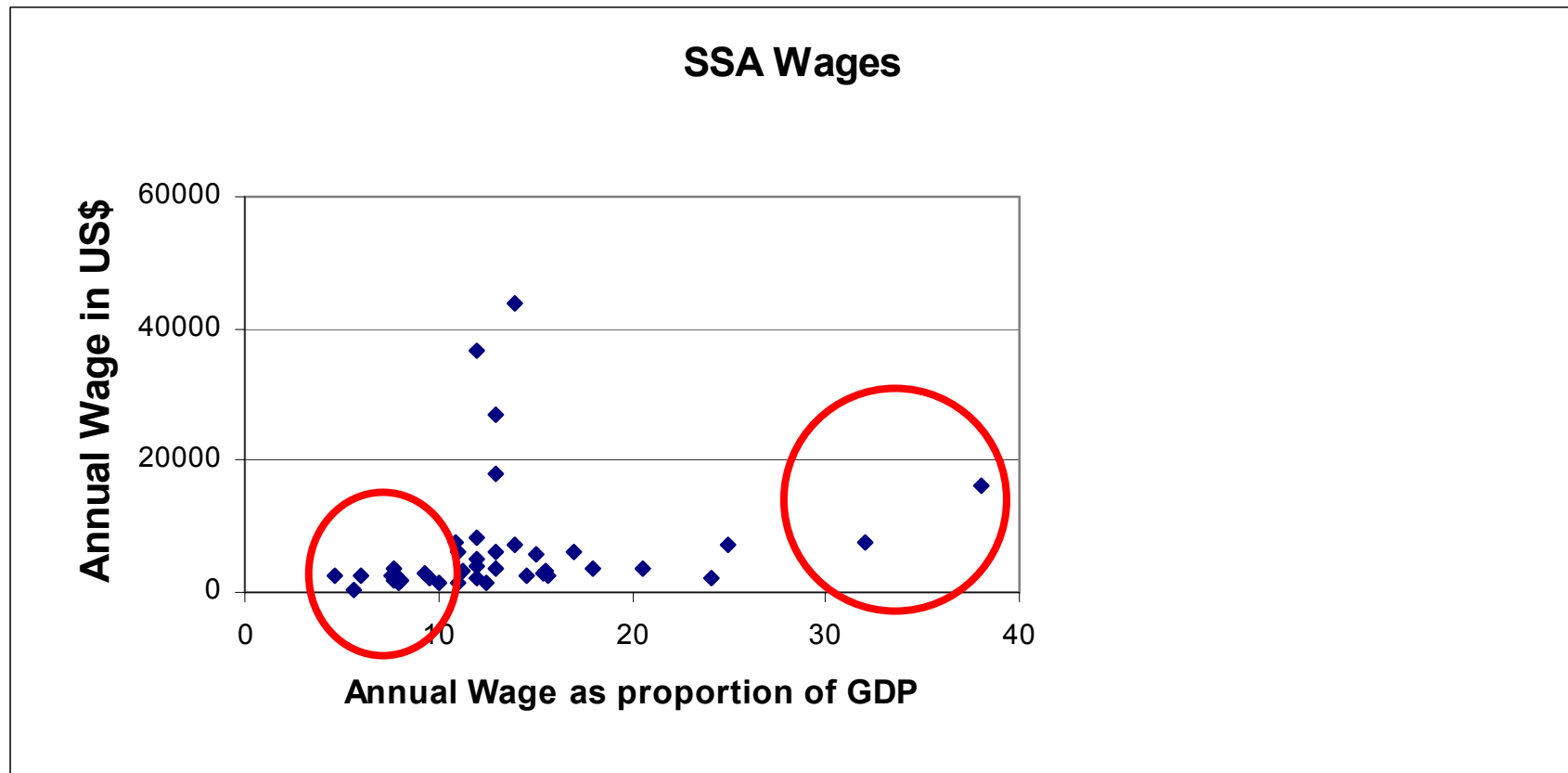
Source: WHO-UNICEF-World Bank Strategic Framework for the Africa Union



Costs are determined by policy

- Skill mix
- Public-Private mix
- Wage policy
- Incentives
- Productivity
- Pre-service training approach

Wages can vary substantially as a proportion of GDP



Source: 2004 WHO-World Bank

Cost of rural service..



Ethiopia

Doubling wages	Share of doctors willing to work in rural areas	7%	57%
Providing high quality housing		27%	84%
Doubling wages to nurses to work in rural areas	Nurses labor supply	4%	27%

Source : World Bank- NORAD GATES HRH program



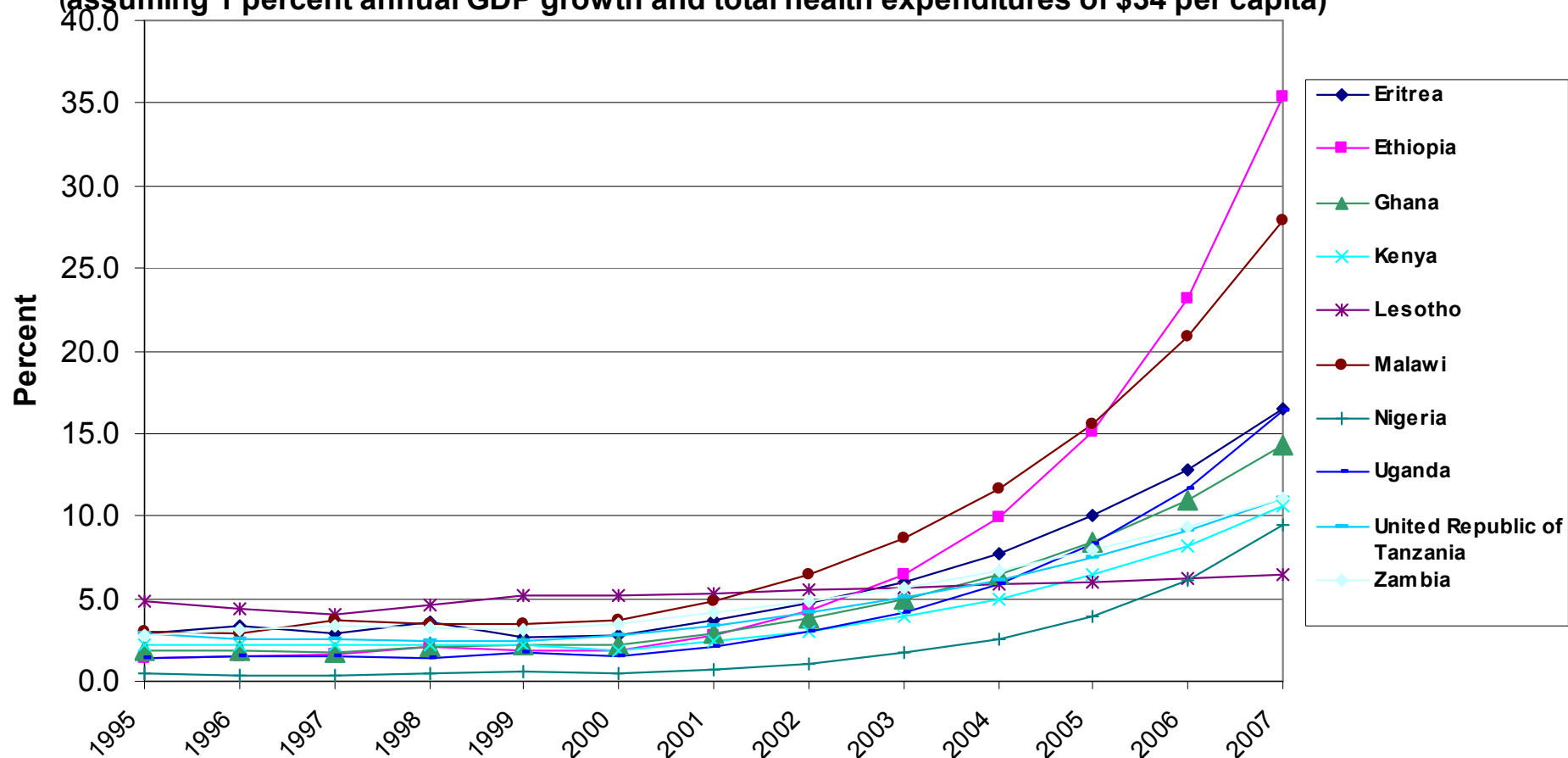
Can we pay for it?

- The fiscal space issue

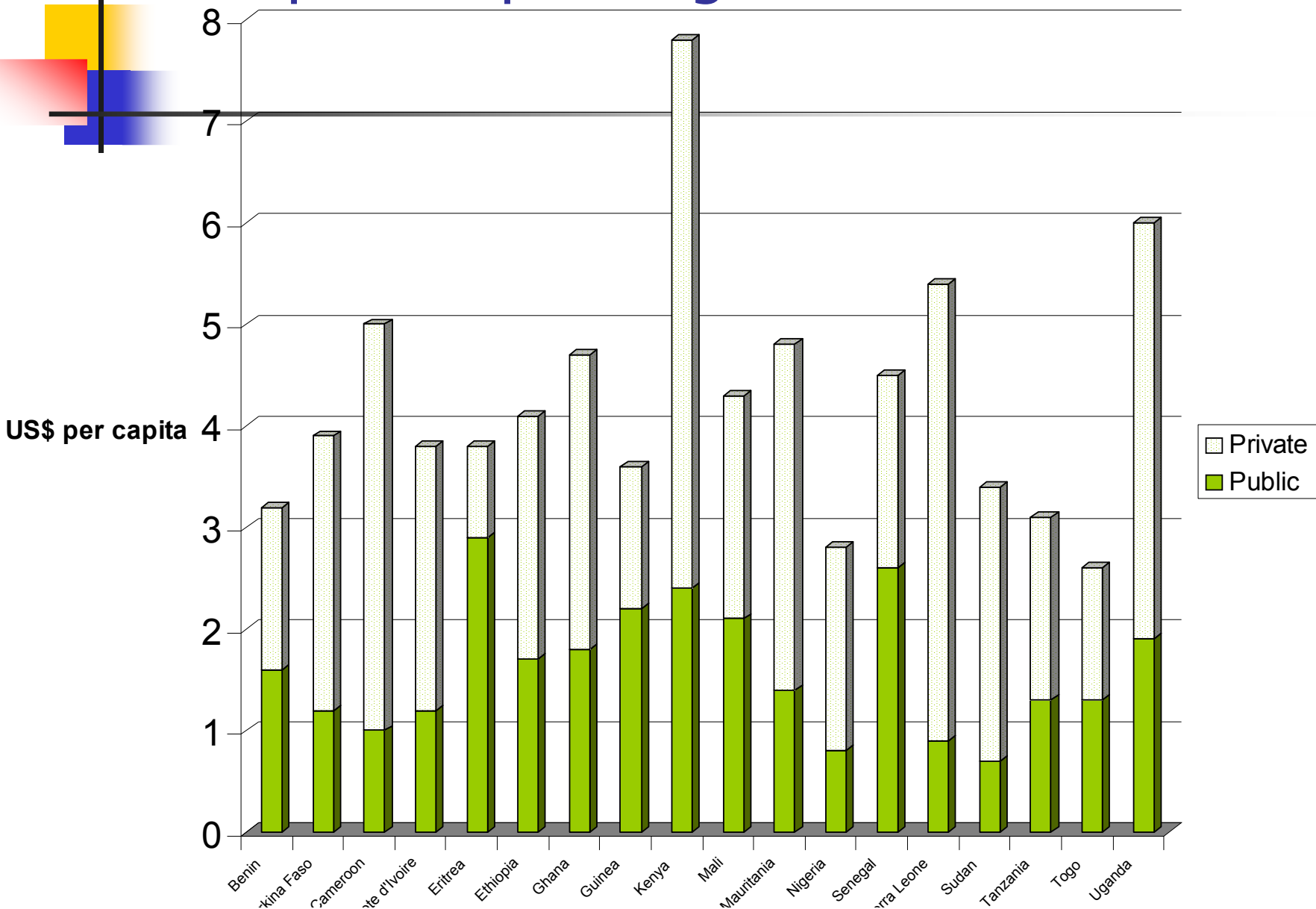
Given Past Growth Trends Some Countries Will Have Problems Accommodating Even a Basic Package of Services

Government Health Expenditures/GDP

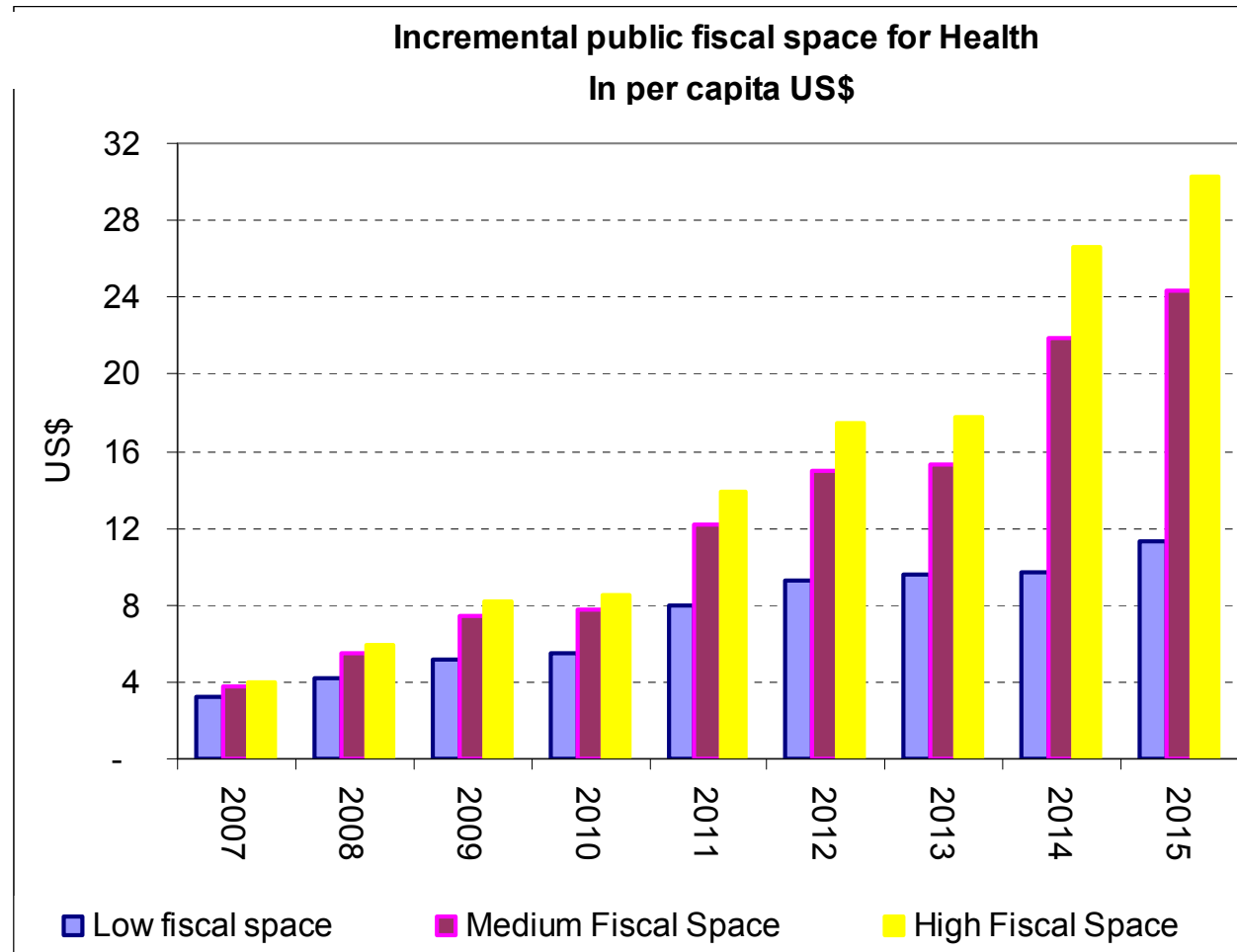
(assuming 1 percent annual GDP growth and total health expenditures of \$34 per capita)



Private spending increasingly equals or exceeds public spending in SSA



Fiscal space likely to be created but will depend on growth, Abuja and Glean eagles commitments



Source AU framework

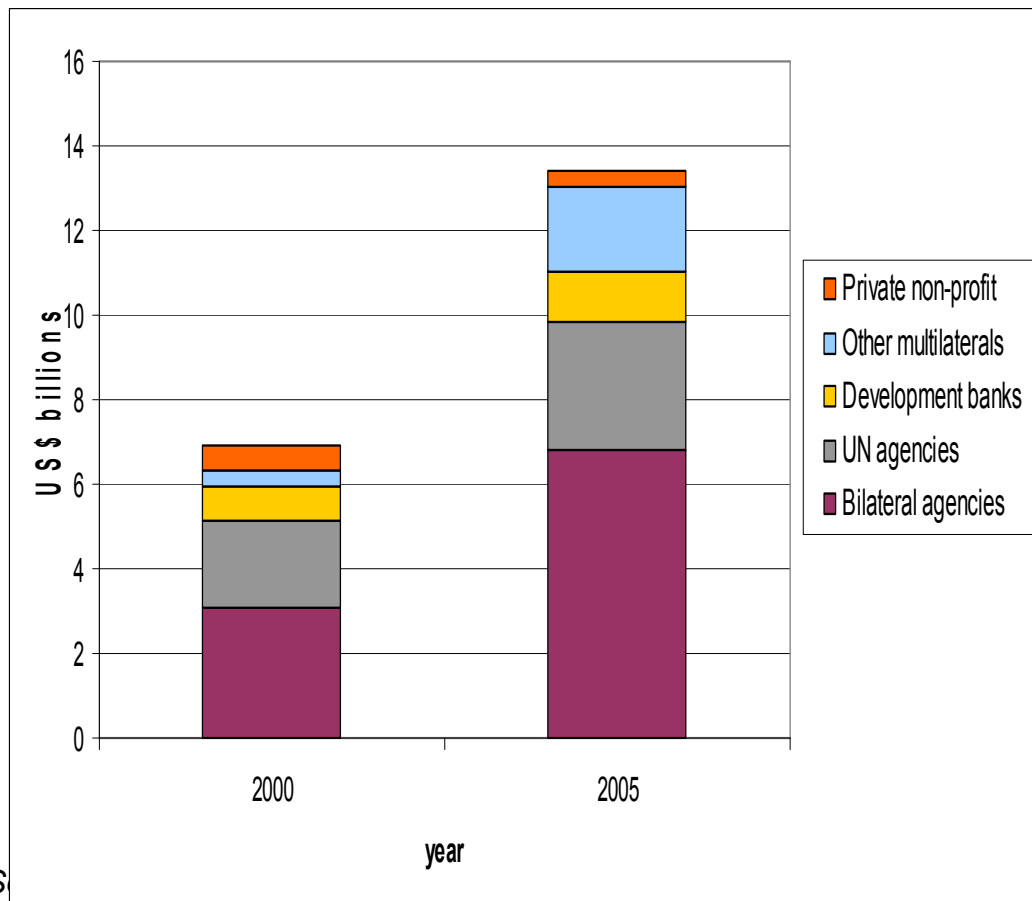


What can donors do?

- Donors financing instruments exist to fund human resources

Money flow has increased

Donor aid for health has increased significantly



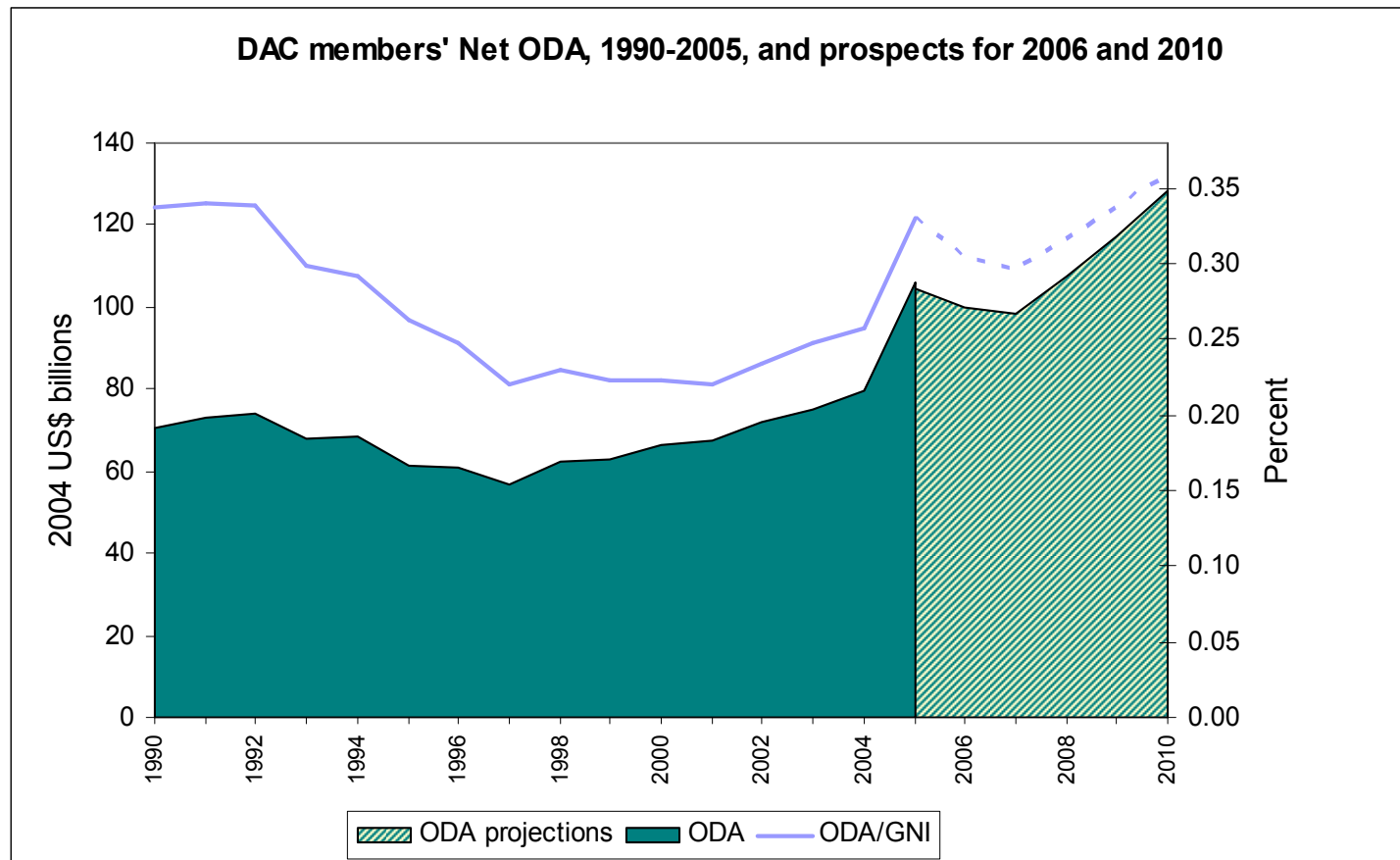
Most of the recent increases:

- **Focus on Africa**
- **Focus on specific diseases**
- **Come from bilaterals and multilaterals (e.g. GAVI & Global Fund)**

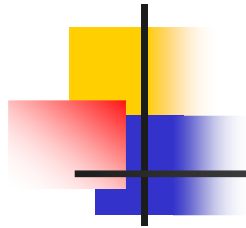
Development aid is increasing but falls far short of what is needed and what has been promised

0.7% of Gross National Income promised by developed countries

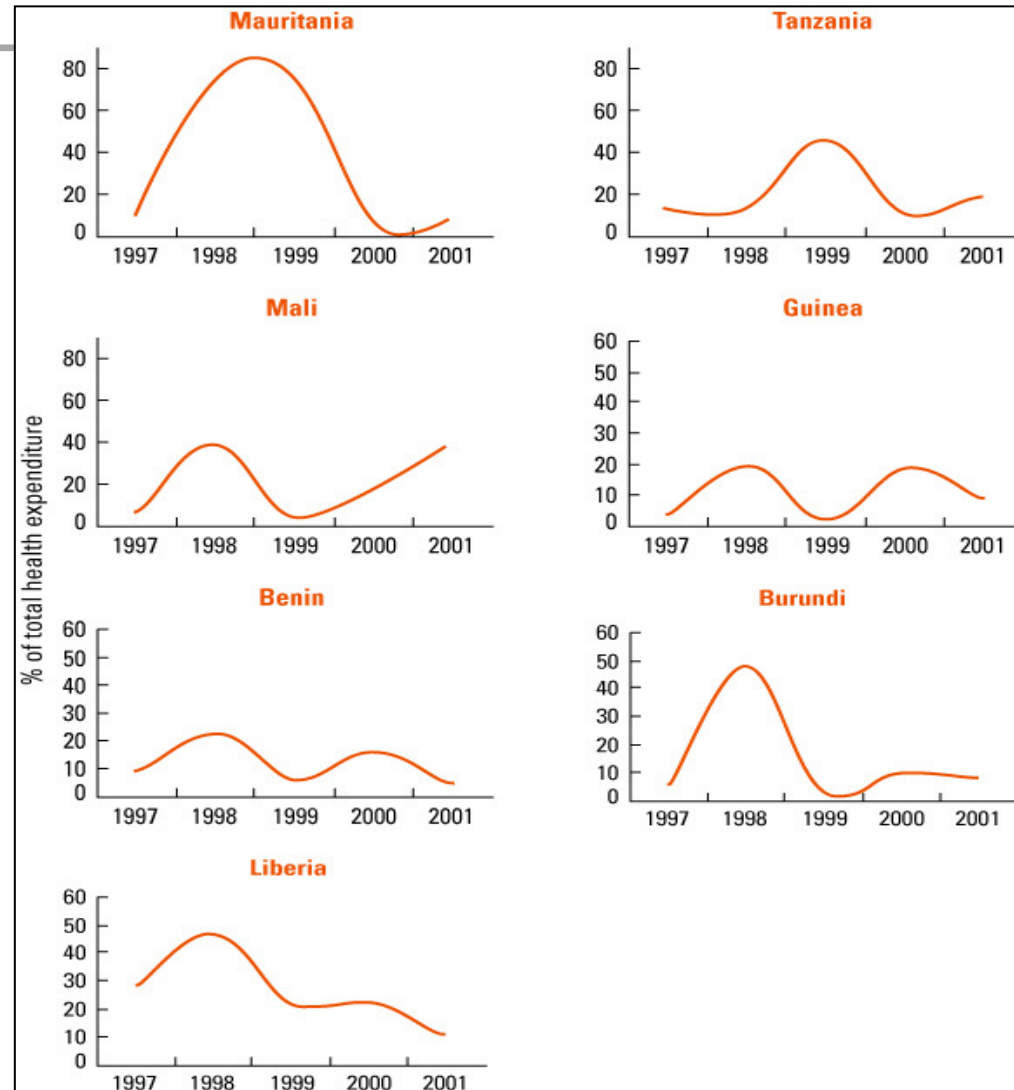
0.54% of Gross National Income to meet MDGs



Aid is volatile and unpredictable..



Try managing this...

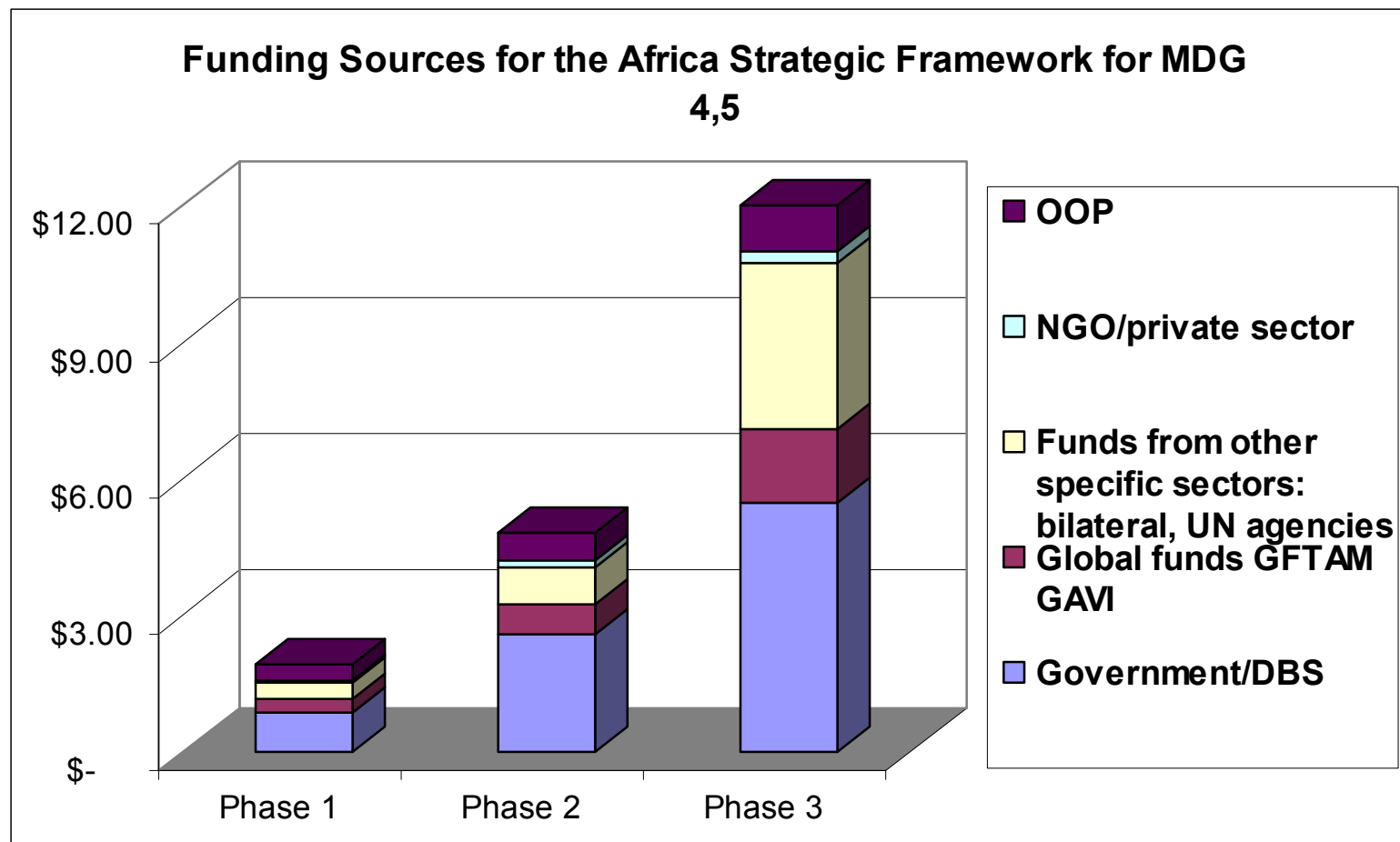




Instruments exist

- Most donors –including PEFPAR- can fund pre-service health education
- Increasing number of experiences of donors funding wages:
 - In Ghana, budget support funds increase in health wages
 - In Ethiopia, block grants to districts fund the wages of health extension workers
 - Malawi, Rwanda

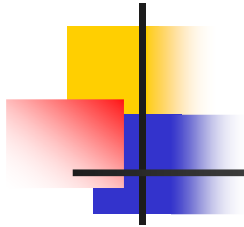
A joint effort..



Source: WHO-UNICEF-World Bank Strategic Framework for the Africa Union



And what about the IMF?



- Probably not the main issue today..



Policies toward the Health Sector

- Zambia

- In 2002, the Government of Zambia implemented a hiring freeze as part of its program with the IMF, but *explicitly* excluded doctors and nurses.

(Source: Goldsborough and Cheelo (2007) IMF Programs and Health Spending: Case Study of Zambia)

- Kenya

- “Wage policy measures will include ... flexibility to allow for recruitment of medical personnel in order to aim at reaching the optimum level of personnel for the health sector and to move toward achieving the MDGs.”

(Source: MoF (2007) The Medium Term Budget Strategy paper 2007/08-2009/10)



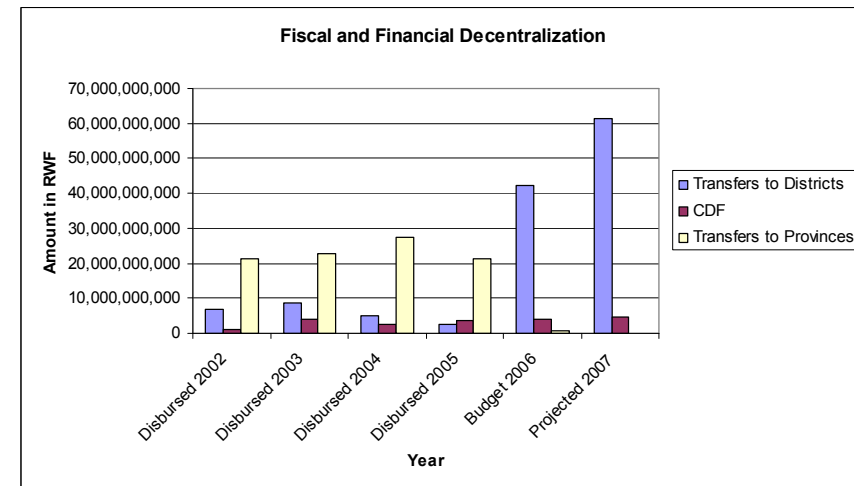
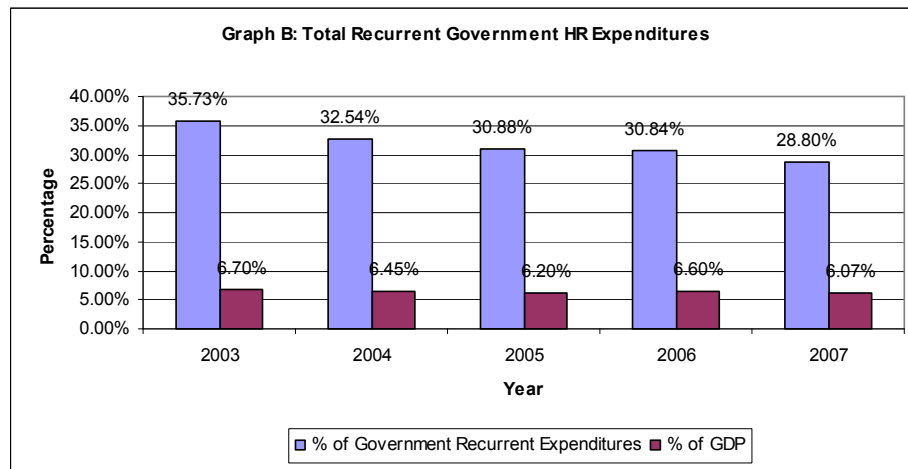
Number, number, number...

- Physicians are few
- There are more nurses
- And a lot of teachers are needed..
- As well as community health workers

Decentralization and autonomization can help

Rwanda's wage bill for health has decreased..

But transfers to local governments and facilities increased ..



Source : World Bank- NORAD GATES HRH program



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