Is the Era of Big Funding for Global Health Over?

Presentation to the Center for Strategic and International Studies
January 10, 2011

Cristian C. Baeza
Director for Health, Nutrition and Population

The World Bank
Dramatic increase in development assistance for the health sector since 1996 ... 


- Development assistance for health sector (DAH) **tripled** between 1996 and 2008 in real terms.
... and overall public funding has also increased significantly in most regions

Growth in public financing of health in all developing countries

$\text{b (in constant 2006 dollars)}$

1995 2006

- **Asia**: $25$ 30 19 48 73
- **Latin America**: $63$ 100
- **N. Africa**: $9$ 48
- **SSA**: $19$ 4
- **Other\(^1\)**: $3$ 9

Overall public financing in developing countries \(^2\) nearly doubled

- Health spend as a proportion of GDP was flat \(^3\) for low income countries 2000-2006
- Growth in spending has been driven primarily by GDP growth rather than increased budget allocation

Note: Numbers were approximated based on Figure 1A from the Lancet article

1 Other includes Oceania and Caribbean
2 This includes all developing countries, not just low income
3 CAGR for THE as % of GDP (2000-2006) is as follows: low income = 0.0%, lower middle = 0.4%, upper middle = 0.5%, high income = 1.9%
Countries have much to celebrate in improved health

- **Significant health improvements at aggregate levels**
- **Higher international awareness and commitment resulted in increased funding for health**

**IDA countries measles immunization**

Percent of children covered

|------|------|------|------|------|------|
| IDA countries mortality rate under 5**

Deaths per 1,000 children

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>2000</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>144</td>
<td>124</td>
<td>104</td>
<td></td>
</tr>
</tbody>
</table>

- **Life expectancy - Eritrea**

Years at birth

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>2000</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>61</td>
<td>65</td>
<td></td>
</tr>
</tbody>
</table>

- **Global maternal mortality**

1,000 deaths per year

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>536</td>
<td>360</td>
<td></td>
</tr>
</tbody>
</table>

* Aggregate IDA countries

Source: World Bank IDA Result website; World Bank Education Sector; WHO Life Tables (from WHO website); Institute for Health Metrics and Evaluation 2009; HNP Team analysis
Increasing countries own resources for health is crucial

Breakdown of total healthcare expenditure
Percent

<table>
<thead>
<tr>
<th></th>
<th>Low income countries&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Lower middle countries&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total in 2007</strong></td>
<td>58.1</td>
<td>57.5</td>
</tr>
<tr>
<td></td>
<td>41.9</td>
<td>42.5</td>
</tr>
<tr>
<td><strong>Out-of-pocket</strong></td>
<td>48.3</td>
<td>52.1</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>17.5</td>
<td>1.1</td>
</tr>
</tbody>
</table>

While increasing development assistance matters, countries have a key say on MDG financing

---

1 Income category defined by World Bank country classification

SOURCE: WHO. Unweighted averages.
The virtuous circle of health and growth

- Reduced absenteeism*
- Greater ability to learn
- More qualified workforce
- Better education
- Higher productivity
- Wealth creation

**Example of child deworming health intervention**

* A 10% reduction in malaria incidence, leads to 0.3% higher economic growth (Gallup and Sachs, 2000)
** Absenteeism calculated to drop by 25% (Kremer 2006)
Source: Kremer (2006); Gallup and Sachs (2000), HNP team analysis
Looking forward: Improving global health funding effectiveness

1. More Funding and Accountability for Health Results, not Just Health Care
2. Health Systems Strengthening
3. Harmonization and Alignment
4. Linking Funding with Health Results