

## Africa's health and the Commission on Macroeconomics and Health

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Over the past 10 years, there is hardly a policy document, conference speech, or a research paper related to health financing that has not referred to WHO's Commission on Macro-Economics and Health (CMH). The 2001 report, *Macroeconomics and Health: Investing in Health for Economic Development*,<sup>1</sup> has become a cornerstone of health financing and international health.

The CMH report recognised the importance of investing in the health sector as a way to foster economic development and rallied a broad range of stakeholders from the health sector to make this case. The report provided guidance for policy makers, development partners, and implementers of health policy by identifying a comprehensive list of high-impact health interventions, such as integrated management of childhood illness, skilled birth attendance, family planning, and prevention of mother-to-child transmission of HIV/AIDS. These interventions are now systematically included in the national health strategies of many African countries and contributing to progress towards the Millennium Development Goals. An example of such an intervention is the policy on insecticide-treated nets for malaria, which is a dramatic success story in Africa.<sup>2</sup>

The report also provided the impetus for health financing reforms in some African countries. When I was the Minister of Finance in Rwanda, we developed comprehensive reforms that encompassed fiscal

decentralisation and autonomy of health providers, results-based financing to boost the performance of health providers, and a national health insurance system that now covers more than 95% of the population. This programme of reforms resulted in an increase in the demand for health care, particularly from the poor, a decrease in catastrophic expenditures for health, and improvements in the delivery of health-care services.<sup>3-5</sup>

Alongside this positive legacy of the CMH report, it might, however, have put too much emphasis on the global story at the expense of country-specific circumstances. Although the CMH report introduced the concept of efficiency in health spending, its key message remains that there is an urgent need for more money for health rather than for more health for the money. The report's noble yet normative recommendation that developed countries should allocate 0.7% of their gross national product to official development assistance (ODA) and that recipient countries spend US\$34 per capita to scale up a set of essential interventions could have been counterproductive. Often, in national conversations between ministries of health and finance, such normative estimates have methodological flaws and tend to ignore important ingredients of performance, such as the role of incentives and politics. Norms often discount the complexity of the results chain and the essential nuts and bolts between resources and outcomes that make a health system work. Globally, between 20% and 40% of health system spending is wasted, with poorer countries wasting even higher proportions.<sup>6</sup>

Unintentionally, the CMH report's push for more ODA may have exacerbated the fungibility of aid in Africa. Global estimates also created tensions in the national conversation on resource allocation and provided an incentive for ministries of finance to reallocate domestic resources away from the health sector. Although ODA for health has almost doubled in the past decade, domestic allocations to the health sector remained stable and are still far below 15% of public spending; for every dollar of international aid to health, domestic funding to health falls by US\$0.43-1.14.<sup>7</sup> More aid could have contributed to less ownership and less accountability from recipient governments.



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Africa is increasingly the focus of key issues in global health. With only 12% of the world's population, Africa accounts for 57% of the world's maternal deaths, 49% of child deaths, 85% of malaria cases, 67% of people with HIV, and 26% of underweight children.<sup>8-11</sup> Africa is vastly different today from 10 years ago, and there are dramatic and largely unanticipated changes ahead. Developed countries are facing their own challenges with the sovereign debt crisis and ODA is likely to represent a decreasing share of resources at country level. Meanwhile, African economies are booming: Ghana and Ethiopia's gross domestic product will have grown by 10–12% in 2011.<sup>12</sup> Africa is experiencing an unprecedented surge in connectivity, which may revolutionise the delivery of health services. The development of e-health and m-health programmes are needed to help Africa develop the necessary infrastructure, knowledge, and capacity to take advantage of this technological revolution. Africa's tectonic shifts in the financial, socioeconomic, and technological spheres will push countries towards increased domestic fiscal space and decreased reliance on external assistance. The African Development Bank is providing its full support to African countries to adapt to this changing environment by helping them implement a new agenda based on value for money, sustainability, and accountability.<sup>12</sup>

Africa's economic emergence will transform the way we think about global health. Tomorrow's agenda will be domestic. It will be about value for money through more transparent budgeting practices, making use of evidence-based budgeting tools, such as the marginal budgeting for bottlenecks (MBB) approach developed in Ethiopia and Rwanda,<sup>13</sup> introducing performance-based budgeting and result-based financing, and improving the efficiency of private spending in health through increased risk pooling, as done successfully in Ghana.<sup>13</sup> The global health agenda in the coming decade will also be about sustainable delivery of the high-impact interventions that were previously supported by development partners; Africa will, for instance, have to take ownership of its AIDS response.<sup>14</sup> More importantly, tomorrow's agenda will be about the building of domestic accountability. 2011 was marked by the Arab Spring in Egypt, Tunisia, and Libya. 2011 has also been the year when

17 democratic elections have taken place in Africa. A new area of democratic governance is beginning where accountability will first and foremost have to be built towards African populations rather than towards donor countries. Investments in health have to be part of the new governance agenda to build tomorrow's Africa.

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