

Macroeconomics and health: the way forward



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Introduction

Improved health is not only an end in itself, but an essential means of reducing poverty and achieving sustained economic growth. Before the release of the Commission on Macroeconomics and Health (CMH) Report, economic wealth was taken as the driver of health. "As people get wealthier, they will get healthier", it was thought. After the CMH evidence, health is being understood as the driver of poverty reduction. More arguments are coming to the fore that a well-planned strategy for health investments will accelerate social and economic growth. Good health is a necessary condition for development.

Building upon the CMH Report, a programme for coordination of macroeconomics and health was created. The programme has three components: improving health outcomes, especially among poor people; strengthening commitments to increased financial investments in health; and minimizing non-financial constraints to the absorption of greater investments. These components provide a context for a macroeconomics and multisectoral approach to strategic health investments.

This article reflects on the perspective of macroeconomics and health and the way forward in the WHO African Region. It gives some background to macroeconomics and health, suggests the way forward by outlining the necessary phases in a successful plan of action and concludes with some brief suggestions for implementation, of the CMH recommendations.

Background

The World Health Organization established a Commission on Macroeconomics and Health (CMH) in January 2000, to study the links between in-

creased investments in health, economic development and poverty reduction. The Commission's findings demonstrated that judicious investments in health, with health understood in a broad sense, can help improve the economic growth of developing countries.

The report points out that ill-health contributes significantly to poverty and low economic growth; that a few conditions account for the high proportion of ill-health and premature deaths, and that a substantial expansion of coverage of cost-effective interventions in priority health problems could potentially save millions of lives per year in the Region. To achieve this, countries are recommended to have "close-to-client" systems and to scale up cost-effective public health interventions, targeting especially the poor. Current levels of spending, however, are too low to be able to scale up cost-effective interventions. Though opportunities exist to improve current resource availability within health systems, a major financing gap will still need to be filled from external sources. The report also points out that currently very little research is being done on the health problems of the poor. It therefore recommends strengthening of national research institutions to generate information needed to improve health systems and delivery of health services. It also emphasizes that there are several determinants of health, and these are not only confined to the health sector. The recommendation is therefore that investments in health-related sectors must also be increased.

The report of CMH recommends enhanced political commitment, at both national and international levels, to increased investments for scaling up the delivery of essential health interventions using close-to-client health systems.

A way forward

The WHO Regional Office for Africa has developed a generic plan of action format for the implementation of the CMH action agenda. The format comprises three phases. Given that countries are at different levels of development and implementation of plans, the phases are to be adopted by each country according to its circumstances. The three phases are:

- Consensus-building and setting up appropriate institutional arrangements
- Developing health investment plans and mobilizing resources
- Implementation, monitoring, evaluation and reporting.

Consensus-and institution-building

Phase one, which is anticipated to last for six months, has two steps and two main objectives. The first step aims to disseminate the findings and recommendations of CMH, with the objective of building consensus on their relevance at the country level. Through meetings of key stakeholders, ministries of health are to disseminate the findings and recommendations of the CMH Report and build consensus on its relevance to the national health situation. This would potentially begin a process that would build greater political and financial commitment to the health and related sectors such as water, sanitation and education. The major expected outcomes are a consensus, a national

action agenda and commitment by all stakeholders to support governments in implementation.

The objective of the second step is to establish institutional arrangements for facilitating the implementation of a national agenda. The outcome of this step will be the establishment of two committees, a national steering committee and a technical committee, which will be located in an institution deemed by each country to be the most appropriate. Given the existence in many countries of numerous committees, a possible alternative is to identify an already existing committee that is best placed to take on additional responsibilities. With government guidance the steering committee would lead the task of scaling up priority health and health-related interventions, and advocate at national and international levels for increased investments in health.

Health investment plans and resources

Phase two is estimated to take 18 months. The objectives are mainly to conduct a health and health-related situation analysis; develop multi-year strategic investment plans to extend coverage of essential health and health-related services; develop scenarios for financing gaps, taking into account issues of equity, burden and sustainability; revise the health and health-related sectoral development plans; revise the relevant components of poverty reduction strategy papers (PRSPs) estimate resource requirements and gaps; design implementation plans; and mobilize resources. These objectives are to be

achieved through analysis and strategy building, filling expenditure gaps, and revising the health and health-related sectoral development plans as well as the relevant components of PRSPs Plans.

To develop strategies, countries will need to undertake analyses of the national health situation (including risk factors), health policies, health system performance (goals and functions), national health accounts (or health expenditure review) and macroeconomic (including poverty) indicators. The expected outcomes will include:

- health and health-related sector situation analyses;
- a set of priority national health problems;
- a package of cost-effective “essential public health interventions” for addressing problems;
- current levels of coverage for various essential interventions;
- target coverage of individual essential health interventions;
- cost of scaling coverage of essential interventions to desired targets;
- an estimate of the current level of spending on the essential interventions.

When investment plans have been drawn up, they should be incorporated in health and health-related sector development plans and the relevant components of PRSP plans. This should be done by ministries and agencies with primary responsibility for specific components of the plans. Countries will determine the expenditure gaps and indicate how they will be financed by mobilizing both domestic and international resources.

Implementation

The last phase of the proposed way forward is implementation of the multi-year strategic plan. The phase progresses to monitoring, evaluation and reporting. The lessons emerging from monitoring and evaluation will form a basis for revising the multi-year plans.

Conclusion

To successfully implement the recommendations of the CMH Report, countries need to improve the capacity of ministries of health for advocating and negotiating with other sectors and partners. Country-specific studies showing the linkages between health and economic development should be undertaken and form the basis of advocating for more resources. Health should not be taken as a prerogative of the ministries of health alone. Investments in other sectors such as education, water and sanitation can contribute significantly to the attainment of the health goals. Perhaps the most important requirement for successful implementation is commitment and political will by the countries and international community to allocate the necessary resources for scaling up cost-effective interventions.

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