

The World Bank's New Health Sector Strategy: Building on Key Assets

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This is the third in a series of articles on leadership in international health. The series was coordinated by Kent Buse.

For the last decade, the World Bank has been trying to find its footing on shifting ground in global health. In the mid-1990s, it saw the blush fade on many health financing and organizational reforms that it actively promoted in middle-income countries in Latin America and elsewhere. Despite the application of big money and lots of brainpower, few of the new incentive programs, insurance mechanisms and decentralization policies survived intact the rough and tumble of politics; and even those that did rarely could demonstrate convincingly that they translated greater efficiencies into better health. Then, as Jeff Sachs wrote the gospel on how health leads to wealth,¹ the richest man in the world started devoting most of his fortune to better health for the poorest on the planet, 189 nations signed on to Millennium Development Goals that are replete with ambitious targets for health improvements, and advocates for AIDS, malaria, immunization and other health priorities mobilized billions of grant dollars for single-minded programs designed largely by management consultants, the Bank found itself losing its preeminent place as the source of money—and ideas about how to spend it—for health.

The drift in the Bank's health portfolio is seen partly in the numbers. Commitments to health sector operations have been steadily declining in each of the past six years, from about US\$10 billion in fiscal year (FY) 2001 to under US\$7 billion in FY2006. The share of active projects judged by staff to be 'at risk' of not meeting their objectives has been on the increase since FY2003, and now includes a full third of all projects. Staffing in the sector has declined by 19%, from 243 to 197 staff since 1997.² The allocation for health in the Development Grant Facility, a consolidated pool of the Bank's grant funds, has declined in the past year, albeit by a small amount, while other sectors have grown.

During his first year as World Bank President, Paul Wolfowitz has often spoken about the priorities of fighting corruption and responding to infrastructure needs, but has rarely highlighted the Bank's role in the health sector. So—at a time when better health is universally recognized as an essential part of the development challenge, and when the vast potential of new preventive and therapeutic measures, innovations in service delivery and expanding financing have yet to be realized—objective measures suggest that the Bank is shrinking from the task.

CATCHING UP

There are signs of life. The World Bank, admittedly not the world's nimblest institution, is now making a concerted effort to sort out its role in health. Staff and management working in health, nutrition and population (or HNP, in Bank lingo) have been engaged for a year in a strategic planning process—the first since 1997—producing a deliberately inward-looking background note² that sets the stage for a formal written strategy to inform an external audience in early 2007, presumably after the now-vacant position of Senior Vice President for Human Development is filled. Although the document is necessarily filled with vocabulary that is specialized to an internal audience ('The realism index is 67 percent and the proactivity index, 59 percent') and highly self-referential (16 of the 31 documents cited are World Bank corporate publications), there is much of interest for outsiders: an admission that too little is really known about what worked and what did not, largely because solid performance monitoring and evaluation was absent in a full three-quarters of HNP sector-managed projects; a genuine and consistently voiced ambition to connect all of the Bank's work to 'health outcomes on the ground'; and the articulation of a set of broad areas in which the Bank will seek to concentrate its work. The Bank deserves a round of applause for this good effort—and, with the wide distribution of the background note, for opening its inner workings up to a little outside scrutiny.

It always sounds like a great idea to have a strategy; the alternative appears so un-businesslike and, well, non-strategic. Certainly from a business perspective, it would

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make sense for the Bank to figure out what its current and potential clients will borrow for, and then how to staff up (or down) to meet that demand. But because it is a development agency in addition to a financial institution, the Bank's version of a strategy does not resemble a demand-led approach. It attempts to advance substantive priorities informed by a combination of the expertise it now has to offer and what low- and middle-income countries might require to achieve health goals, including but not limited to the Millennium Development Goals, which are established largely by outsiders.

This sort of strategy-development begs an awkward question: Who, in the end, determines how Bank financing is used and, in practice, what does that have to do with an institutional strategy? The vast majority of the money comes in the form of loans (called credits when they are offered at concessionary terms) that are negotiated with government officials, and then implemented by national technical and management teams. In the end—and often in the beginning—what is or is not financed and implemented reflects the priorities and politics of the borrowing governments. Given the variance across countries, one would anticipate a diverse set of programs and projects, not all of them squarely lined up with a strategy developed in Washington DC. To expect otherwise implies that the Bank can easily walk away from lending opportunities that don't fit a focused strategy—something that is far from the case, particularly for large middle-income countries that borrow at near-market rates. The fact that a vast array of dissimilar and occasionally conflicting health sector operations approved over the past decade or so were justified in their design documents as fully consistent with the 1997 health sector strategy only proves the point.

That said, if the Bank does adhere to a strategic direction in the way it staffs itself and the signals it sends in analytic work, selected grants and high-level statements, an institutional strategy can influence the broad outlines (if not all the details) of Bank lending. Moreover, a useful outcome of the strategy development process would be the delineation by the Bank of what it will *not* fund, regardless of borrowers' requests; this is the true test of whether a strategy has teeth. There is surely merit in taking on the tough task of identifying what the Bank could be doing to make more of its particular institutional assets.

ACROSS SECTORS, ACROSS COUNTRIES, WITHIN SYSTEMS

Development banks, of which the World Bank is generally thought to be the trailblazer, can do three things that no other major development institution working in the health sector can do, and each one is essential to making sure that public sector dollars are buying better health. The

background note prepared by the Bank's strategy development team highlights parts of each of these, but the overall vision could be far bolder—and perhaps will be, in its final version.

First, the Bank can look at a whole country, rather than just at the health sector or a particular disease. This means that the Bank can, if it chooses to, do such things as help the government coordinate investments in infrastructure (e.g. roads, water systems, schools), which have implications for health; assist a government to understand the health implications of particular economic growth strategies or international trade agreements; and draw attention to and design policies to manage the impacts of demographic change, from large-scale migration to continued high rates of population growth in many sub-Saharan African countries to aging populations in the former Soviet Union. This goes far beyond what is often thought of as 'multisectoral' efforts—for example, delivering health services through primary schools—and represents a domain of work that is both intellectually rewarding and very much needed to achieve health goals.

Second, because the Bank works in many countries, it can contribute in important and unique ways to the generation of regional and global public goods, including the creation of new information and knowledge.³ Regionally coordinated surveillance and disease control systems, for example, are near the top of the wish list among those worried about the cross-border spread of infectious disease, from polio to bird flu. While the World Health Organization may have the technical expertise to support development of such systems, there are no ready sources of long-term finance and coordination mechanisms except within development banks. It is paradoxical that the control of river blindness in West and Central Africa is often referred to as a signal achievement of the Bank, which has worked for more than two decades with WHO, the pharmaceutical industry and other partners to achieve spectacular results,⁴ but no similar health programs have ever been undertaken by the institution. Regional coordination of the rules of the game for drug registration would certainly speed the introduction and uptake of new pharmaceutical products, such as the newer anti-malarials.⁵

The agenda for generating important policy-relevant knowledge through multi-country efforts is vast: high quality impact evaluations, coordinated across several countries, would yield major contributions to the global public good of policy-relevant knowledge.⁶ The generation and analysis of National Health Accounts, which document public and private expenditures on health by source and use,⁷ also represent an opportunity for the Bank to add to knowledge that is essential for sound policymaking, and which gains in value for each additional country that employs methods that permit valid cross-country

comparisons. In short, the Bank's multi-country portfolio constitutes a rich, and largely untapped, asset.

Third, the Bank has a special ability to work on the vexing but vital issue of how to improve the functioning of health systems that are now characterized by low productivity, weak accountability up and down the line, lack of protection of poor people from financial losses due to illness, and a plethora of other problems. No other institution has the complement of knowledge to help governments in low- and middle-income countries make significant and rapid systemic improvements, particularly as earmarked grant funds pour into some of the poorest for HIV/AIDS, malaria, TB and immunization.⁸ Bank staff expertise in health financing, contracting the private sector, introducing 'demand-side' incentives for greater use of preventive and other underutilized services, and other items on the health systems menu, provides at least the starting point for a comparative advantage in health systems strengthening.

How the Bank approaches health systems work is at least as important as what, precisely, it does. Given the political and technical complexity of the health systems challenge, and the sobering results of earlier prescriptive approaches, the Bank might want to think of itself less as a health systems doctor to governments ('Take two reforms and call me in the morning') and more of a life coach ('So, what do you want to achieve and who's stopping you?'). This requires two elements, used in tandem. The first is a rigorous use of evidence—for example, applying the cost-effectiveness analyses presented in the recently released *Disease Control Priorities in Developing Countries*,⁹ in which Bank staff were key contributors; or undertaking focused analyses of the economics at the peripheral level, using new tools such as the Quantitative Service Delivery Surveys.¹⁰ The second is a nuanced policy analysis that takes into consideration political forces and counter-forces. Lessons illustrate that pro-poor, evidence-informed policy reforms are resisted by well-organized groups in health (e.g. bureaucrats, professional groups, interest groups) and in other sectors equally, but that reforms can be implemented 'despite the odds.'¹¹ Success, however, demands strategic policy management by country-level advocacy coalitions—like-minded pro-reformers, including politicians, civil servants, civil society representatives and others—who receive support to systematically collect and analyze information on the political dynamics associated with specific reforms. This permits them to develop approaches to win supporters and undermine opposition.¹² This type of thinking is crucial if the Bank sees its efforts to strengthen the health sector not as fighting a battle against inefficiencies in the allocation and use of resources but as a means to an end—the objectives of better health and the reinforcement of a safety net for the poor—that can be judged on those grounds.

APPLYING THE VISION

To have a fighting chance for a real-world impact, the new strategy should be reflected in the selection of the new Senior Vice President for Human Development, who has responsibility for the Bank's direction in health, education and social protection; in the composition of the leadership team; and in the skill mix and deployment of Bank personnel. The individual who brings intellectual leadership across the social sectors will need to place priority on equipping staff to 'coach' clients and partners about how best to deliver outcomes. This may imply the need to lead a process of broadening the skill set of the Bank to include political scientists and others who understand the dynamics of decision-making, and to develop close links with in-country policy analysts and advocates. S/he will need to appreciate that not only are the in-country systemic issues deeply political, but that so too are generating demand for and financing of regional and global public goods, as well as reforms in infrastructure investment, economic policy, public financial management and a host of other issues that impact on key health outcomes. The strategic vision also should be reflected in an expansion of the Bank's leadership group in health (the 'Sector Board'), to include the research department, the evaluation unit, and others with interests that go beyond those of the managers from operational departments, who are focused on the project pipeline and country-by-country negotiations.

The Bank's background note acknowledges that 'Countries increasingly not only want to know what to do but also how to do it, particularly how to design and manage the transition from current to reformed systems.' For the Bank to assume this particular mantle, it will need to approach its operations in a very different way. For one, more staff will have to be resident in countries, and those staff will need to become better informed about the political calculations surrounding reform; to do so will require that they listen better and to different constituencies so that they can identify innovative means through which to support pro-reformers. Bank management will need to develop appropriate tools to enable and reward staff for supporting the necessary political work required to ensure that reforms are effective. Among other things, this will necessitate a shift in the balance between lending and non-lending services—and communicating this new approach to clients.

The World Bank's best effort is essential to dealing with the challenges facing health systems in both low- and middle-income countries, from how to finance relatively expensive new drugs and vaccines, to how to ensure that health workers are in a position to respond to the needs of patients, to how to control the global spread of infectious diseases. To get to that best effort, amidst a confusing array of new institutions and monies, as well as changes in key

partner agencies,^{13,14} the development of a new strategy for engagement in the health sector by the World Bank is very welcome; that it is done in a spirit of openness and self-reflection is also a good sign. We will look forward to reading the new strategy in 2007, to see whether it succeeds in sending a strong message, backed by evidence, about how the Bank's smart, experienced and committed staff, new leadership, and unparalleled set of financial and political resources will add up to vision, know-how and impact.

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