Opening Remarks

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“Value for Money, Accountability, Sustainability in the Health Sector:
A High Level Dialogue between Ministers of Finance and Health”

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1A pride of lions consists of related females and offspring and a small number of adult males.
Welcome to Tunis. Thank you for accepting our invitation. I thank the Head of the Tunisian Government, Dr. Hamadi Jebali and the Tunisian Government for hosting us this morning. I also welcome leaders of international institutions here today, co-sponsors of this event.

I am so happy to see so many of you here, so many friends to this uniquely important event.

We meet at a time dominated by the global economic crisis but also a time when Africa’s performance, though tested, remains solid. But there are issues of inclusiveness, inequalities and sustainability. Both friends and skeptics wonder whether progress can be sustained, not only economically, but socially.

The continent has made dramatic progress in improving health indicators. Decline in child mortality in Africa is now regarded as one of the best stories in development.

In most countries child mortality is declining. It is now falling about twice as fast as during the early 1990s and 2000s, which is faster than it was in China in the early 1980s. Senegal, Rwanda and Kenya have seen a drop of more than 8% a year in child mortality. The top rates of decline in child
mortality are the fastest seen in the world for at least 30 years.

Significant progress has also been made in the fight against HIV, malaria and TB. Yet, the numbers remain high.

More than half of mothers who die during child birth are in Africa (Africa accounts for 57% of the world's maternal deaths). Half of children die before the age of 5 (49% of child deaths). 85% of malaria cases and 67% of people with HIV are in Africa.

But as Africa transforms, at this time of Africa's economic emergence, it is also time to transform how we think about health.

Let me make five points.

First, how do we finance the health sector and maintain progress at a time of global crisis? The global economic crisis and changes in the health financing landscape are pushing us to think about value for money and addressing head-on inefficiencies in the health sector.

Second, we will have to think about how to sustain high impact interventions that will no longer be financed by development partners.

Third, we will have to think about providing equity aspects of health care coverage and financing which will call for greater domestic and mutual accountability.

Fourth, we will have to think about how to seize the technological wave to improve the delivery of health services especially to those who have the least access such as the rural poor.

Lastly, but not least, African countries must learn from best practices on how to provide effective safety nets.
The new Africa will need to rethink its health agenda

1. Tomorrow's health agenda will be domestic and therefore focus on more health for the money rather than more money for health.

At times of global economic crises, we need to take greater ownership of health financing.

Domestic allocations to the health sector from national budgets have 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.

But it will not simply be about greater domestic financing. It will have to be efficient and effective health spending through transparent budgeting practices.

Globally, between 20% and 40% of health system spending is wasted and African countries attain very different results at comparable levels of health expenditures.

Bank staff have calculated that efficiency gains can be achieved, and more results can be obtained with available resources.

Such gains can be capitalized through the implementation of evidence-based policies, adequate resource allocation, innovative financing, and greater focus on results.

Evidence-based budgeting tools exist to support this. For instance, the marginal budgeting for bottlenecks (MBB) approach implemented in Ethiopia and Rwanda, 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.

2. Tomorrow’s agenda will necessarily be about high impact interventions to buy value for money.

Social safety net programs have proven to be highly effective at relatively low costs.

Thoughtful consideration needs to be given to replacing across the line subsidies to safety net programs that stimulate economic growth and benefit the poorest the most.

Conditional cash transfer (CCT) programs in Brazil and Mexico -- Brazil’s Bolsa Familia and Mexico’s Oportunidades programmes --cost about 0.4 percent of GDP and provide safety nets for about one-fifth of those nations’ populations.

Zepeda (2006) study revealed that CCTs from Brazil and Mexico reached 8 and 5 million households respectively.

The study also highlights that the cash transfers occupy a significant share of household’s total income for the poorest 25 percent of population.

Ethiopia’s Productive Safety Nets Program reaches nearly 8 million people so they have enough food to eat during times of drought.

3. Similarly integrating food security, health and education programs targeting investments in nutrition within early childhood
development programs is a concrete example of achieving value for money in health.

The science of nutrition and brain development show that interventions have the biggest impact when they occur during the first 1,000 days of a child’s life - starting with pregnancy up to 2 years old.

The negative impacts of malnutrition on the brain are irreversible after 2 years old. Malnourished children grow up to be less productive adults, resulting in an estimated loss of 2-3% of GDP in the developing countries with the highest burden of maternal and early childhood under-nutrition.

Many African children are caught in the vicious cycle of poverty and malnutrition. Under-nutrition is major problem in Africa for which we have basic, affordable solutions, such as vitamin and mineral supplements, fortified foods, and nutrition education.

The Nutrition agenda must be fully integrated into food security, health and educations programs to buy more value for money in health.

4. Tomorrow’s health agenda will also be about sustainability of these high impact interventions.

The global health agenda in the coming decade will be about sustainable delivery of the high-impact interventions such as integrated management of childhood illness, skilled birth attendance, family planning, prevention of mother-to-child transmission of HIV/AIDS and the policy on insecticide-treated nets for malaria, many of which were previously supported by development partners.

In the context of decreased external resources, African countries cannot afford to let successful programs that have taken years to design and
heavy investments, such as mother to child transmission of HIV/AIDS, malaria, fall by the wayside.

We must figure out how to channel domestic resources to high-impact health interventions that have taken a decade of collective efforts and investments. This is especially true in the case of financing for AIDS.

5. Tomorrow's health agenda will be about domestic and mutual accountability.

We can do so by improving governance and accountability.

6. Tomorrow’s health agenda will be driven by ICT. The unprecedented surge in connectivity is revolutionizing the delivery of health services, such as e-health and m-health.

In 2012, half of Africa’s population will have mobile phones, a penetration rate of about 53% that will bring a lot in terms of access to and efficiency of social services.

7. Tomorrow’s health agenda will be about employment and competitiveness.

With 1 billion people set to grow to 2.3 billion by 2050, Africa has a unique opportunity of capturing a demographic dividend springing from a young and dynamic workforce that is predicted to become bigger than China’s. The health sector is very labor intensive.

The number of professionals involved in providing health services is quite significant at all levels.

The role of the African Development Bank
The African Development Bank is supporting reforms for better governance and improved value for money in service delivery: transparency in public financial management, results-based financing mechanisms and incentives to overcome low demand, poor quality and inadequate delivery of health services.

We are focused on investments in ICT as a tool for better governance and service delivery such as easy access to information and innovative registration and data management systems.

The Bank recently launched an e-health award to recognize the most authentic African ICT solutions in health. 116 African health professionals, academics, NGOs and innovators have submitted their ideas and ongoing projects.

We are also doing so through the private sector. Indeed, the Bank’s overall vision for private sector development links entrepreneurship to inclusive growth and poverty reduction.

The Bank places high priority on mechanisms that give voice to users of health services.

The Bank is currently developing a new Human Capital Development Strategy.

It focuses on job-creating growth, giving voice to all citizens for improved quality and delivery of public services, efficiency of public spending, and effective safety nets.

As part of its strategy the Bank strongly supports Human Resources for Health (HRH) through the strengthening of the supply side—education and training—and demand –through infrastructure development and governance, creating a competitive health employment market.
Ladies and Gentleman,

Tomorrow’s health agenda will therefore be about partnerships. The challenges in health are so vast that without solid partnerships they will most likely fail.

The continent will need international partnerships, but also national partnerships between ministries of finance and health, between governments and civil society, and between the public and private sectors.

The time has come for the African Lions to take charge of their pride.

The changing financial landscape, the new era of democratic leadership and revolutions in access to information mean that now ownership to answer to our people, with pride, is key.

Through partnerships, through inclusiveness and through pride in its community, Africa will reap the benefits of the phenomenal changes taking place within and surrounding our continent.

As a former Minister of Finance in my country, I do not underestimate the complexity of the task. But it is doable.

During my tenure we developed comprehensive reforms that encompassed fiscal decentralization 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 program of reforms resulted in an increase in the demand for health care, particularly from the poor, a decrease in inefficiency in expenditures for health, and improvements in the delivery of health-care services.
During these two-days you will consider a number of best practices, many exciting health sector experiences and programs in Africa and globally.

Hopefully they will help stimulate ideas for putting tomorrow’s health agenda in Africa into practice and help generate actionable results at the end of the conference.

Together with the Executive Director of the Bank, Staff and Senior Management, we are very pleased to join and be with you in these two days of what I am sure, will be very productive discussions.

Thank you for your attention.