6. Conclusions and Recommendations

This evaluation examined World Bank and the International Finance Corporation (IFC) support to health financing through lending, investment, policy dialogue, and analytical work. Over FY03–12 the World Bank supported health financing reforms through 188 operations in 68 countries and provided an active analytical program. The IFC delivered a small program with six investments and nine advisory services. The Bank’s Health, Nutrition, and Population (HNP) 2007 strategy sees health financing as a comparative advantage for the Bank because of its analytical capacity and multisector nature. The Bank and IFC do not have a joint strategy or strategic approach about the mix of public and private health insurance.

The Bank Group did not take an ideological stance in its work in revenue collection and different risk pooling arrangements; rather, it worked within the different country contexts. In line with the Bank’s health strategy, the Bank did promote a focus on improved results and performance in health facilities by helping governments and insurers change the way they pay providers. An increasing number of this work is implemented with the support of results-based financing (RBF) operations.

The Bank’s 2007 health strategy remains valid to guide support to health financing reforms. However, the evaluation finds that key elements of the strategy have proved to be elusive in its implementation, including integration and monitoring and evaluation (M&E). The reasons mainly evolve around capabilities and cross-sector collaboration and are areas for further reflection for the global practices.

The factors for successful Bank support include government commitment to address the many challenges in revenue collection for health and risk pooling, ensure pro-poor spending, introduce institutional reforms, and build technical and information capacity. Purchasing needs to be integrated with risk pooling to address financial barriers for poor individuals in accessing care and with public finance to manage adverse effects. Bank analytical work and collaboration across teams helps inform governments in these health financing decisions. These health financing functions heavily depend on information systems, M&E, technical capacity to analyze performance, and government commitment to sustain reforms.

The evaluation recognized that reforms in health financing only are insufficient, and additional investments are needed to ensure the supply of health care. But health financing decisions are necessary to influence the provision and use of health care and ensure financial protection. They include decisions about how to mobilize and
allocate funds for health, how to pool these funds, and how to purchase care from health providers.

The evaluation found that evidence is scant on the effect of Bank and IFC operations and programs on final outcomes, and much remains to be learned about the health benefits, equity in service use and finance, and financial protection value of public spending, pooling, and purchasing supported by the Bank Group. There is also a critical need to strengthen evidence on implementation processes so as to identify the reasons that contribute to success. Sound analytical work about adverse effects and financial sustainability are particularly important for all countries.

The four main conclusions of the evaluation are the following:

- There have been some notable successes of Bank support to all three health financing functions, including revenue collection, risk pooling, and purchasing. Evidence suggests that these have occurred when the Bank Health and other sector teams drew on a variety of skills across sectors to engage government and where government commitment to reforms was strong. The collaboration between the IFC and the Bank has been limited so far, given the small health financing IFC portfolio.

- Bank support has helped increase governments’ health budgets and protect health spending against budget cuts during economic crisis. Equity in pooling increased where the Bank assisted governments in subsidizing compulsory contributions to various health insurance for low-income groups. However, increased pooling did not always lead to pro-poor spending, improved equity in service use, or greater financial protection. Support to reduce user payments was limited, and evidence is missing that it improved equity in service use and financial protection. This type of support often lacked the necessary fiscal and equity analysis.

- The Bank has been shifting its focus on health financing to performance- or results-based payments supported by RBF projects. There is a greater focus on financial incentives to increase the number of specific services and monitoring of service use. Little attention was given to the impact on costs, broader public sector institutional reforms to allow providers to react to financial incentives and to demand-side barriers including user fees, and how to tackle these in a fiscally sustainable manner. This shift has happened without the necessary evidence for financial protection and sustainability and potential adverse effects on the broader public sector, including on wages.

- An integrated approach that links health financing including RBF with public sector reforms is likely to be more effective than single-issue interventions in establishing the relevant institutions that are needed to sustain reforms. This
approach comprises efficient and equitable revenue instruments (tax and non-tax) for health, taking into account the overall public finance situation. It also includes moving toward compulsory pooling and reduced fragmentation in pooling, and a focus on strategic purchasing that examines potential adverse effects in a public sector context. Linking health financing reforms to public sector reforms requires strong collaboration between the IFC and the Bank’s Health and Public Sector and Finance teams to help facilitate the dialogue on health financing at all government levels.

In a reorganized World Bank Group, health financing operations could benefit more from thinking and coordination across the Bank’s HNP, Governance, Macro and Fiscal Management, Poverty, and Social Protection teams as well as the IFC. This could include, for example, streamlining the methodology in the Bank’s diagnostic program to include analysis on both financial protection and adverse effects set by financial incentives, and integrating health financing analysis into the new Systematic Country Diagnostic framework which will focus on the critical challenges to achieving the twin goals of reduced poverty and shared prosperity.

This evaluation makes five recommendations to guide the Bank Group’s future work on health financing:

1. **Support government commitment and build technical and information capacity to be able to inform health priorities and spending by:**
   - Supporting countries through capacity building in standardized monitoring of total health expenditures (e.g., National Health Accounts), with attention to serving the needs of the poor; and
   - Expanding training in client countries in collaboration with local Institutions to build knowledge and technical capacity through health financing learning platforms.

2. **Address health financing as a cross-cutting issue at the country level by:**
   - Ensuring analysis of equity in health service use and finance, financial protection, and financial sustainability consistent with the aim of promoting Universal Health Care coverage.

3. **Have Global Practices focus on health financing as a core comparative advantage of the Bank by:**
   - Building and expanding technical capacity among staff working on health financing in different Global Practices (including Health, Macro and Fiscal...
Management, Governance, Poverty, and Social Protection) to ensure that staff capacity is adequate to respond to country demand; and
• Having a clearly identified focal point on health financing for the World Bank Group.

4. Integrate all health financing functions by:

• Integrating results-based financing interventions with other health financing functions and the broader public finance context at the country level to address sustainability and prevent distortions; and
• Developing a joint strategic approach between IFC and the Bank and complementary implementation on the ground toward health insurance, including mandatory and voluntary coverage.

5. Strengthen M&E in Bank and IFC health financing projects by:

• Improving appropriate M&E frameworks in Bank and IFC projects to put in place mechanisms to collect and monitor relevant indicators; and
• Monitoring distributional indicators, including on access and outcomes, consistent with benchmarking and tracking progress toward Universal Health Care coverage.