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Folder ID:	30124907
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ISAD Reference Code:	WB IBRD/IDA DEC-01-07
Digitized:	3/23/2021

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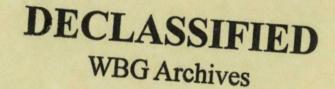
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Development Policy

PRC - Health Sector Policy



1978 (April)



WORLD BANK / INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO No	Delent	C	Mallomoro
TO Mr.	KODELL		McNamara

DATE: April 20, 1978

FROM: Mahbub ul Haq, Director, PPR

SUBJECT: Health Sector Policy Memorandum

Attached for your information is a policy brief prepared by the Policy Planning Division on the Health Sector Policy Memorandum which is scheduled for review by the President's Council on Monday, April 24, 1978.

cc: Messrs. Knapp Stern Chenery Baum

Attachment

Policy Brief

on

Health Sector Policy Memorandum (President's Council Meeting on April 24, 1978)

1. This memorandum reviews the health situation in the developing countries and recommends some major departures from the policy adopted by the Bank when the Health Sector Policy Paper was reviewed by the Executive Directors in December 1974:

- while continuing lending for health components of other projects, the Bank Group should also begin to lend directly for health projects (para. 32);
- the Bank Group should adopt a "more flexible policy regarding referral facilities than was stated in the Health Sector Policy Paper" (para. 36);
- the 1974 Sector paper clearly established standards of performance and goals for health care delivery that were different from the existing system of a country. The present memorandum recommends, instead, maintaining the standards of performance and goals of the larger system (paras. 21 and 26); and
- the memorandum, noting that sanitary facilities and clean water may not improve health facilities, appears to move against the multisectoral approach for undertaking intervention in health that formed the basis of the 1974 Sector paper.

2. We strongly support the recommendation that the Bank should start lending directly for health. This will be in line with the increased emphasis on public services and basic needs components in the development program. But the real question is to determine the nature and content of this direct lending so that the health services reach the poor masses at acceptable social and economic costs. The present paper does not provide an answer to this. In fact, there is a risk that its recommendations could be interpreted as lending support to financing the wrong type of health services. For instance:

- the recommendation to lend for referral facilities even "if they are important to the viability and performance in particular of lower-level, remote facilities" (para. 36 of the memorandum) could readily lead to the easy option of building and equipping expensive referral systems that are unrelated to the mass of the population;
- the memorandum's emphasis on undertaking health lending within the context of the borrowing country's existing health care system could also mean a shift away from the desirable goal of providing preventive health care for the many to the existing high standards of curative health for the few; and
- the memorandum appears to back away from the central role for community participation in the design and management of effective health care system. The memorandum does not take into account the central lesson of the last decade of experience that communities should select their own representatives to be trained as community health workers. It recommends that "developing countries should focus first on interventions that require little or no cooperation from or commitment by the community in order to be effective" (para. 10).

3. The choices regarding the nature and content of direct lending for health are likely to be greatly clarified by some of the ongoing work on this sector in the Bank - e.g., the paper on health sector in the basic needs series and the country study on Mali which is focussed on low cost, replicable health services (both due to be completed in December 1978). We, therefore, recommend that a decision regarding the content of direct lending for health should be taken only after this ongoing work has been completed and after a new paper is written focussing specifically on this issue. This paper should go through the normal staff-level policy review process before a formal set of recommendations are presented to the Senior Management for decision.

> Policy Planning Division Policy Planning & Program Review Department, DPS April 20, 1978