

POLICY COHERENCE AND FINANCING HUMAN RESOURCES DEVELOPMENT

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Ministerial High-Level Roundtable on “Policy coherence and financing human resources development”

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Policy coherence -- The Monterrey Consensus emphasized the importance of policy coherence, at both national and global levels, for the creation of an enabling environment leading to growth, poverty eradication and sustainable development. Human resources development is an essential form of productive investment for the development process. Its significant impact on this process implies that social sector expenditures should be seen as investments, rather than as costs and the balance between social and economic objectives less as a trade-off. This might require policy-makers to change perspective and stop thinking in rigidly sectoral terms.

First and foremost is the need for greater priority to be given, in national programmes and budgets, and in poverty reduction and other strategies, to support for the health and education sectors. There are many competing demands, but this needs to be seen and wrestled with, as issues of fundamental importance.

Then too, experience suggests the existence of strong cross-sectoral synergies in the field of human resource development. Progress in the area of health reinforces progress in the education sector and vice versa. Health has a major impact on children’s ability to learn and teachers’ ability to deliver education services, as seen in the case of the HIV/AIDS pandemic. Similarly, education has a major impact on health outcomes. The level of mothers’ education has been found to greatly affect the well being of children in terms of lowering mortality, morbidity, and malnutrition.

Exploiting these synergies entails an integrated approach to human resources development and inter-ministerial policy coherence. In addition, only by fully integrating health and education policies into poverty eradication strategies can the Millennium Development Goals (MDGs) be achieved. Coherence in the policy advice provided to Governments by bilateral and multilateral agencies is also important.

In this regard, key questions include the following:

- How can Governments give greater priority, and embed potential synergies and increase policy coherence in defining development policies? How can the productive dialogue be increased with Finance Ministers and line Ministers in Health, Education and Labour on budget allocations that maximize these long-term dimensions of development?
- How can the international community – international institutions and bilateral donors alike – increase the coherence of the assistance process in terms of the programmes and budgets they can bring to bear?
- How can the United Nations system best support efforts at the national, regional and global levels to integrate human resources development programmes into poverty reduction strategies on the basis of national ownership and priorities?

- How can donor countries and international funding agencies best promote the inclusion of South-South components in development cooperation programmes to promote cost-effectiveness and sustainability?

Financing -- In spite of increased international commitment to health and education, progress remains uneven and inadequate. In order to achieve the Millennium Development Goals (MDGs) by 2015, investments in health and education must be significantly increased. Domestic spending in this area needs to be increased, as well as its efficiency improved in terms of service delivery. Moreover, new partnership efforts by Governments, donors, international organizations, private sector and civil society can foster the desired human resource development goals and must be encouraged.

The Commission on Macroeconomics and Health estimated the minimum financing for essential health interventions to be \$30 to \$40 per person per year. Actual health spending in the least developed countries averages approximately \$13 per person per year. Even with appropriate policies and domestic resource mobilization, poor countries cannot on their own mobilize sufficient funds. Therefore, greatly enhanced external assistance is paramount. The Commission report's estimates of annual additional resources needed range from \$27 to \$38 billion for health and around \$13 billion for primary education.

Moreover, currently less than 5 per cent of DAC donor assistance goes to basic education and basic health combined. These sectors clearly need higher priority in aid budgets. The trend towards budget support, rather than project support, is a positive change that should be fostered. Likewise, the increasing interest in sector-wide approaches (SWAs) in development assistance should be encouraged to ensure a single programme of activities with a common set of objectives, procedures and time-frame, as well as a single budget and a common agreed funding framework.

A new action plan for education was endorsed by the Development Committee of the World Bank at its 2002 Spring meeting, offering a financing framework to 'fast track' universal primary education by 2015. As reported by the Bank, the value of this is its focused approach to fulfilling the Education For All (EFA) targets and the related agreed goals in the MDGs, and the fact that countries which are creating the policy environment in which EFA targets can be met have an avenue to receive the external support they need to help them fulfil the goals. Other such avenues need to be created, notably for health.

In this regard, possible questions for consideration include the following:

- How can we ensure that human resources development is given the backing and priority it needs? How can national and international partners be engaged in this task?
- How can the United Nations system assist to enhance monitoring of results achieved, as a way to improve aid effectiveness and aid volume?
- Could a plan and commitments be envisaged to "fast-track" health-related actions national and international actors, drawing upon the model launched by the World Bank in the area of education?
- How can the voluntary contributions to relevant UN programmes and specialized agencies, such as UNFPA and WHO, be increased so that they will be in a better position to assist countries to achieve the MDGs?