

In the Name of God, the Most Merciful, the Most Kind



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Afghan Public Sector and Challenges of Efficiency

Government of Afghanistan is under pressure to improve public sector performance and at the same time contain expenditure growth. While factors such as wide spread corruption and the high rate of un-employment add to the people dissatisfaction and demanding that government be more accountable for that it achieves with Afghan and donors taxpayers' money.

Government of Afghanistan has taken diverse approaches to reform key institution arrangements, which include: increasing devolution; HRM arrangements; changing budget practices and procedures; and introducing result based approaches to budgeting and management.

Although the Afghan government has engaged in some institutional reforms, the empirical evidence of their impact on efficiency is so far limited due to: the lack of resources and capacities to conduct evaluations; the lack of pre-reform measures of performance; the lack of complexities in measuring efficiency in the public sector; and the problem of isolating the effects of specific institutional reforms on efficiency from other external influences. Providing more public service with less public spending is an ongoing challenge for the Afghan government.

Measuring public spending output is even more complex. The coverage and scope of public services differ across the country, partly reflecting societal priorities.

These disparities require that public spending effectiveness be assessed by spending area, at least for key components, including education.

The Afghan government has carried out reforms to contain the growth in the public spending and improve spending outcomes since the early 2012. Reforms can be classed under the three broad headings: 1) Making the budget process more responsive to priorities; 2) Making management practices more flexible, such that defined priorities are easier to achieve; 3) Strengthening competitive pressures among providers of public service and, where not incompatible with equity considerations, containing the demand for public services.

Because of important synergies among the three areas, getting the most out of these reforms would require that they be internally consistent.

Institutional drivers of efficiency in the public sector

The institutional arrangements that have been reviewed include: 1) Practices ensuring increased result orientation, such as budget practices and procedures and performance measurement arrangements; 2) Arrangements that increase flexibility, including devolution of functional and fiscal responsibilities from central to sub-national governments, human resource management arrangements; 3) Methods for strengthening competitive measures through privatization and other measures and 4) Various workforce issues, including workforce size, its composition, the extent and attractiveness of public sector.

While there has been a plethora of public sector reforms in Afghanistan; the research shows fewer success stories than have been claimed by practitioners.

There are several reasons for this. First, research in this area is extremely complicated due to data availability issues, measurement difficulties, and the potential effect of many external factors on efficiency and productivity (the attribution problem).

Second, reforms are often driven by ideological considerations and management fads rather than efficiency concerns. Third, Practitioners often have a vested interest in the success of reforms and may over-claim their impact. Fourth, governments launches reform to evaluating them.

Finally, there could be substantial differences between the short-run and long-run effects of these reforms, such as efficiency gains discussed over time.

To sum it up, public sector reform is one of the top priorities of the government of Afghanistan; Afghanistan has made great progress in terms of public sector reform. This process started based on the 2001 Bon Conference, and has continued to present and the public sector reform is in the center of the Afghan president.

However, reform as a process has its own challenges anywhere, and it has complicated challenges in the context of Afghanistan too. The success of public sector to optimize its efficiency, the Afghan government not only needs a practical public sector reform strategy but also calls for political will at the various levels in this sector.

The Questionable State of Health Facilities

By Dilawar Sherzai

Health is one of the most important blessings for human beings. When healthy people can live their lives properly and can make efforts to achieve their objectives in lives. However, when people suffer because of ill health, they along with their families have to face myriads of problems. Therefore, it is imperative that states must make efforts to support their citizens in having healthy lives. Some of the societies have been able to achieve great progress and development, and they have provided different sorts of facilities to their citizens in order to fight with different types of diseases; however, there are many other societies that have not been capable of developing great institutions, systems and facilities that can enable their citizens to fight even with the most common diseases.

Afghanistan is one of the countries that is suffering from the lack of quality medical facilities for most of its people. In the last few decades, though there have been claims otherwise, the people of Afghanistan have not been able to receive their rudimentary requirements of life conveniently. Since the birth of a democratic government, there have been certain improvements but the concrete changes are yet to be observed. Most of the issues that are related to the lives of poor civilians of Afghanistan have been handled on short-term basis. The donors' money has supported specific projects that have only assisted the people for a specific period of time; in the meanwhile, in certain cases these projects only exist on the papers.

One of the fundamental problems which Afghan people have been fighting with is the issue of miserable state of health services. The health facilities are not proper and most of the diseases that people suffer from stay untreated even in the large cities of the country. On many occasions, there have been reports that have depicted the fact that many people, including children and women die in different parts of the country because of no access to health facilities. Particularly, the rural parts of the country suffer to a large extent in this regard.

There have been many occasions, when health clinics have been built after spending thousands of dollars, however, they have not been able to solve the health issues of the people. In some cases, they have been victimized by the corruption and lack of attention by the relevant authorities, while in other cases; they have been victimized by the prevailing insecurity. In some cases, however, there have been efforts by the government to establish basic health units in some

parts of the country.

Nevertheless, the quality of basic health services provided by government hospitals is really very low, their number is not sufficient and they are not established in most of the remote areas; therefore, most of the people do not have access to them. On the other hand, private hospitals have been established that can, in no way, be afforded by the people who do not have enough food to eat.

Such a scenario is really dreadful, and there should be serious efforts to deal with the situation. Short term projects will never solve the health issues in Afghanistan. Afghan government and the supporting nations must pursue long-term strategies to handle the issue, if they want to help the people of Afghanistan.

At the same time, corruption and lose control, regarding the quality of medicine that is sold in the country, is another major issue, which is responsible for further debilitating the health of the people instead of supporting them during their ill health.

Moreover, a report released on Tuesday, January 23, showed that there is a lack of professional and qualified pharmacist in the country and about 75 percent of medical stores do not have professional pharmacists. Dr. Noorshah Kamawal, head of the MoPH medical drugs and products regulatory department, has also mentioned that barely 25 percent of all 14,300 functioning medical stores inside the country have pharmacists and the rest were being run by unprofessional pharmacists. Though the government officials have taken initiatives to produce professional pharmacists, considerable and determined efforts have to be made consistently so as to solve the issue.

With the pathetic state of affairs in the health sector in hand, different reports show that millions of dollars have been poured into the health sector; however, there are many Afghans who have their nearest health center at a distance of three days and unfortunately there are no professional staff in hospitals and pharmacies and the quality of available medicine is also questionable. Such a scenario is really dreadful and worth special attention; moreover, only lip service would do no good to change the scenario. Therefore, Ministry of Public Health and other stakeholders must take necessary measures and must curb the situation as the issue is very delicate and it is related to the lives of the people. Carelessness in this regard is a type of indirect murder.

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Tracking Big Pharma's Progress on AMR

By Jim O'Neill

This week, at the World Economic Forum's annual meeting in Davos, the Access to Medicine Foundation (AMF) is launching an antimicrobial resistance (AMR) benchmark to "track how pharmaceutical companies are responding to the increase in drug-resistance." The benchmark builds on recommendations made in the May 2016 final report of the British government's Review on Antimicrobial Resistance, which I chaired, and on the important work being done by Chatham House, Drive-AB, the Global Union for Antibiotic Research and Development, the Pew Trusts, and the World Health Organization. For the past ten years, the AMF, which is independent of the pharmaceutical industry, has published a highly regarded Access to Medicine Index, making it uniquely suited to quantify how various companies measure up in the fight against AMR.

In my view, the new benchmark will have many benefits, not least for equity analysts who might consider adjusting their stock recommendations on the basis of the AMF's findings. During our Review, I learned that many in the investment community were not interested in pharmaceutical companies' behavior on this issue, because there were no readily available data by which to make comparisons. Well, now there are.

As I have written previously, the Review issued Ten Commandments for confronting the AMR threat. While the AMF's benchmark isn't designed to address all ten, it does touch on the areas that are most relevant to the healthcare industry. Two areas that would benefit from their own quantifiable benchmarks are diagnostics, to prevent antibiotics from being prescribed unnecessarily, and agriculture, where antibiotics are used excessively to promote livestock growth. Ultimately, microbes will build a resistance to any new drugs that we create, so we also need to seek ways to reduce overall demand for antibiotics.

For its part, the AFM will calculate its benchmark separately for the eight major pharmaceutical companies that currently appear to be working on replacement drugs, generic producers, and firms focused solely on research and development. The fact that only eight "Big Pharma" firms are even attempting to develop new antibiotics and vaccines is a cause for serious concern. As the Review concluded, failure to create effective new drugs could result in ten million people dying from AMR-related diseases every year by 2050, at a cost of some \$100 trillion.

One of the more radical ideas we discussed during the Review concerned financial "pull" incentives to reward firms that successfully develop new drugs. We determined that an effective market-entry reward could be funded by

small levies on the sales of the other top-50 pharmaceutical firms that are not carrying their weight.

The new benchmark's overall score for a firm can be broken down into three separate categories: its commitment to research and development for new drugs; its manufacturing, production, and environmental standards; and its marketing and distribution practices, which should focus on ensuring access rather than excess.

Of the eight Big Pharma firms that are included, the British company GlaxoSmithKline currently scores the highest. For those of us who conducted the Review, this is no surprise. Frankly, we would not classify all eight firms as being truly committed to the cause, but at least with the benchmark, they can now see clearly how they can improve. Moreover, one hopes the benchmark will prod into action all of the firms that have not even bothered to join the fight against AMR. It is worth remembering that at the World Economic Forum's annual meeting in January 2016, more than 80 companies signed a declaration promising to work toward solutions. And yet more than 70 of those firms do not appear on the AMF's new index. Talk is cheap; these companies need to put their money where their mouth is. As for generic producers, the AMF's scoring of pollution could prove most important, given that many of these companies operate in developing countries where environmental degradation is a major concern. Policymakers and business leaders in these countries will want to pay attention to how their generic drug producers score, so that they can make improvements.

The benchmark's third category concerns biotech firms, which conduct research into drugs that can combat the "priority pathogens" identified by the WHO. This category will be particularly helpful for financial analysts, or even for venture capitalists, given that specific advances could earn a future market-entry reward or have vast commercial potential. And, of course, the new scoring will also be important to the companies themselves, and for policymakers who are trying to strike a balance between "pull" incentives and current priority-drug needs.

It would be great to see similar benchmarks for the major food producers and makers of diagnostics. Indeed, I have long believed that diagnostics could be the single biggest game changer in the fight against AMR. But for now, let us hope the pharmaceutical benchmark gets the attention it deserves. (Courtesy Project Syndicate)

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