

# Risks and opportunities of the new financing frontier

Mind the Gaps: Satellite Session

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**AIDS 2008**

XVII INTERNATIONAL AIDS CONFERENCE  
Mexico City, 3-8 August

www.aids2008.org

# 2008: AIDS and health spending

- **Between 2001-06: ODA for health almost tripled**
  - From \$7.2 billion in 2001 to \$20.1 billion in 2006 (179%)  
*(Kaiser Family Foundation, 2008)*
  - BUT health represents only 17% of all ODA!
- **AIDS funding has reached \$10 billion per year**
  - For developing world, all sources *(UNAIDS, 2008)*
- **But what is the global need?**
  - Universal Access by 2010: \$40 billion per year

# 2008: AIDS and health spending

- For addressing the health worker shortage:
  - Education and training: \$26.4 billion over the next 10 years (*GHWA, 2008*)
  - Education and employment (doubling salaries): \$75.4 billion total (2008-2015) (*WHO, 2007*)

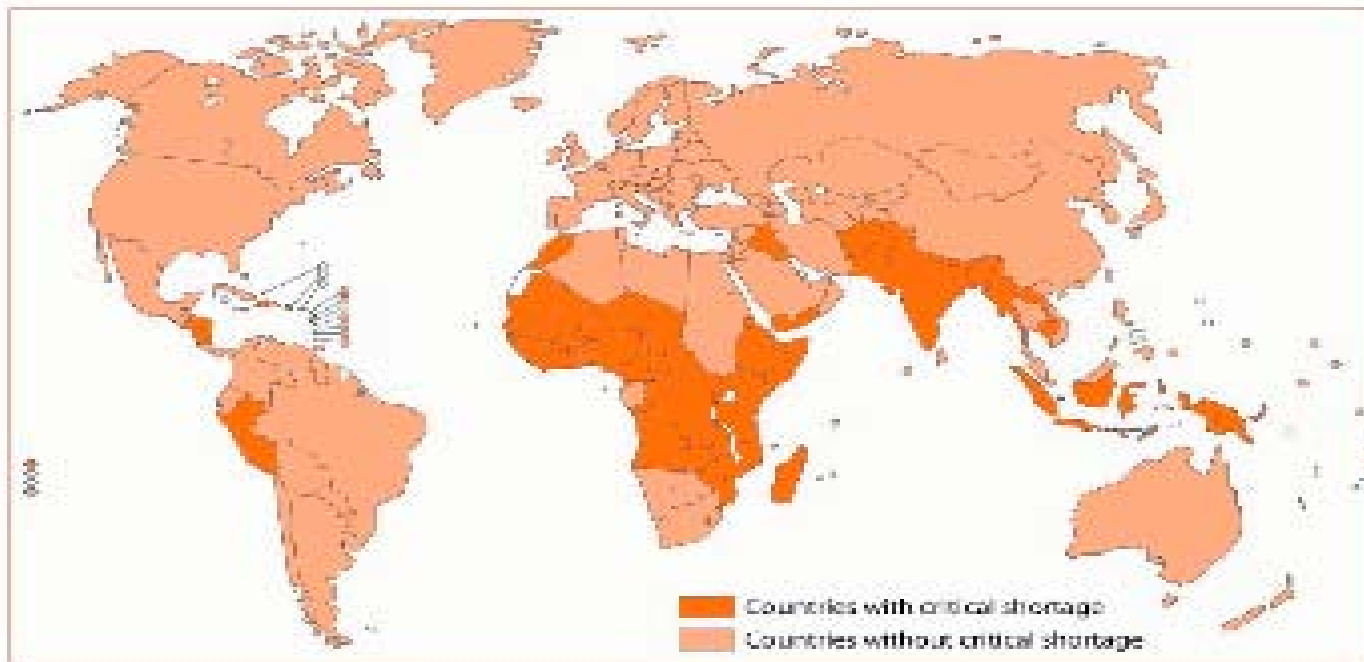


# 47 'countries in crisis'

36 in sub Saharan Africa,

5 in Latin America and the Caribbean

6 in South East Asia



Source: WHO, The World Health Report 2006: Working together for health.

# New financing frontier

- Backlash against 'AIDS exceptionalism'
  - Old rhetoric of program sustainability
  - AIDS community focuses on the diagonal approach
- Some donors shift toward General Budget Support & Sector Wide Approaches (SWAps)
  - Decreased coordination burden
  - Longer term, more predictable aid
  - Malawi: pooled funds have contributed to increases in salaries for doctors and nurses

# New financing frontier

- Donor shifts toward General Budget Support & SWAps
  - Governance: harder for people with HIV and other consumers/patients
  - Where are the results?
  - Where is the equal partnership, particularly of independent civil society, vulnerable groups?
  - How can funding be tracked?

# New financing frontier

- Role of IMF policies in undermining investments in health workforce
  - Use of ‘wage bill ceilings’--prioritize meeting inflation- and deficit-reduction targets
  - Oppose more expansionary models for country scale-up
  - Hallmarks: public sector fiscal restraint, low inflation targets--in case of conflict with health priorities, ‘macroeconomic stability’ trumps health

# New financing frontier

- Opportunities for change?
  - Case of Malawi: IMF ceiling adjustment (2005)
  - IMF IEO Report found *overuse* of the wage bill ceiling (*IMF IEO 2007*)
  - ...and 74% of additional foreign aid between 1999-2005 to 29 countries in SSA has been diverted from intended purposes; allocated to domestic debt payment and international currency reserves instead
  - IMF's reliance on tools such as wage bill ceilings have "unduly constrained countries' policy choices" (*CGD 2007*)
  - Researchers found a strong correlation between IMF loan programs and higher rates of TB infection and death, regardless of differences in wealth and health of countries studied (*Stuckler et al PLoS Medicine 2008*)



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# What are the opportunities?

- Donors acknowledge the health worker shortage as a crisis
  - G8 additional commitment is pathetic compared to need
    - ‘Work towards’ 2.3 health workers per 1,000 people (2008)
- Global Fund, PEPFAR, GAVI other GHIs
  - Possibility for increased focus on supporting countries’ emergency health workforce plans?

# Global Fund

- Support priority disease programming in a manner that strengthens health systems and human resource capacity
- Technical Review Panel Round 7:
  - Proposed HSS actions focus on obstacles to delivery of health services
  - Not on 'upstream' fundamental barriers causing the weak health systems
  - HSS technical assistance has been weak/problematic

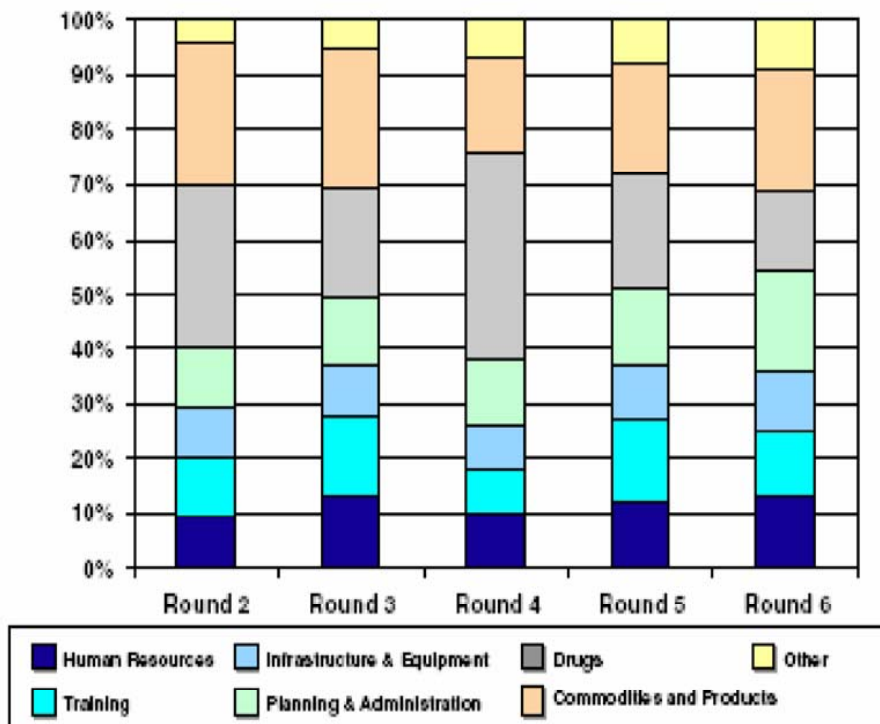
# Global Fund

- **Malawi**
  - Round 5 HSS proposal: Emergency Human Resource Programme
- **Rwanda**
  - Round 5 HSS proposal: Increase health service utilization by improving access for the poor to the health system
- **Ethiopia**
  - Round 7 HIV/AIDS proposal: strengthens HRH and fills health systems gaps

# Global Fund

- Only 22% of portfolio spent on HRH/training
- Round 7: Out of \$2.8 billion approved, \$363 million is targeted toward HSS (2007)

Box 1: Trends in Global Fund expenditures



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# PEPFAR 2

- Must build “workforce capacity by increasing its support and including the education of new health care workers in addition to AIDS-related training for existing health care workers.” (*Institute of Medicine Recommendations*)
- New law (2008) authorizes support for countries’ efforts to achieve 2.3 doctors, nurses and midwives per 1,000 people
- New law (2008): direct support to train and retain 140,000 new health workers
  - Emphasis on training and retention of doctors and nurses
- Will countries be able to use these opportunities to the fullest extent?

# PEPFAR 2

- USG policy restraints on payment of recurrent costs, e.g., salaries in the public sector.
- Can work around these restrictions--but rarely does
  - eg by creating non-governmental outsourcing mechanisms to hire, train, and deploy on contract basis to public-sector (Kenya)

# Recommendations

- Donor governments
  - FUND the gaps!
  - Sufficient, long term, predictable funding for AIDS and health
  - Fund salaries, pre-service training, emergency HRH planning efforts; suspend/eliminate restrictions on funding salaries
  - Challenge the IMF and World Bank
    - Getting enough 'fiscal space' is a life and death matter

# Recommendations

- Global Fund, GAVI, other GHIs
  - Size/quality of country HRH demand must increase
  - GF: Round 9 communication to countries on health workers
  - Mobilize high quality technical support
  - Share and promote best practices

# Recommendations

- Implementing countries
  - In Africa: *at least 15%* govt spending on health!
  - Use GHI and donor flexibilities that exist: Global Fund Round 9
  - Push back against IMF/MoF policies
    - MPs, civil society, economists collaborate

# Recommendations

- Civil society
  - Support best practices to prevent NGO poaching of health workers
  - Enforcement?
    - [www.ngocodeofconduct.org](http://www.ngocodeofconduct.org)
  - Hold our governments to account
  - Hold new initiatives to minimum standards of civil society participation, additional funding
    - International Health Partnership and Related Initiatives (IHP+)

thank you

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# Back up

QuickTime™ and a decompressor are needed to see this picture.

