

Turning the financial crisis into opportunity for SRHR – key steps

Gita Sen

IIM Bangalore & DAWN

Panel on The Impact of the Economic Crisis on at EuroNGOs 2009
Conference “Investing in Sexual and Reproductive Health in Times of Economic Crisis”, Riga, September 7-8, 2009

Key steps

- Finance
- Programming

Health financing – trends and needs

- SRHR needs to be seen within the context of health financing overall because well-functioning health systems are essential to the SRHR agenda's fulfillment
- Developing countries have
 - 84% popn
 - 90% of global disease burden
 - 20% of GDP
 - 12% of all health spending
- After adjusting for cost of living diffs, high income countries spend 30 times more per capita on health

Health financing – trends and needs contd

- > ½ health spending in poor cttries is out-of-pocket – catastrophic illness / accidents, poor primary care and referral, inequitable private and public health insurance
- UN Popn Divn's latest (2008) revision projects > 9 b by 2050 (7.5 b by 2020)
- Changes in popn size and composition will raise hlth care spending needs by 37% in E Asia/Pac, 45% in S Asia, 47% in LAC, 52% in Sub-Sah Africa, 62% in Mena region => 2-3 % annual increase in needs from demographics alone.

Health financing – trends and needs contd

- World Bank estimates (publ in 2006) for 2002 global hlth spending was \$ 3.2 tr => 10% of global GDP, of which \$ 350 b only in low and middle-income ctries together
- Ironically public share of health expend is poorest in low income ctries

Health financing – trends and needs contd

	Public share of health expend	Social health insurance	Out of pocket expenditure
Low income	29%	2%	93%
Lower mid income	42%	15%	85%
Upper mid income	56%	30%	85%
High income	65%	30%	56%

Health financing – trends and needs contd

- External sources – 8% of health spending in low income ctries on popn weighted basis; 20% on ctry weighted basis
- 12 sub-Sah Afr ctries where external sources acct for >30%
- World Bank econometrics suggests
 - Strong impact of hlth spending on mat mort and child mort
 - Parallel invts in infrastructure and educn help
 - Economic growth impacts are direct and lead to higher hlth spending

Health financing – trends and needs contd

- Devt aid for health - \$ 10 b in 2003 (1/7 of total ODA which was 0.25% of GNI in 2003 against Monterrey goal of 0.7% and Millenium Project goal of at least 0.54%)
- 55% of all external flows to Africa and only 9% to other developing cties
- Specific disease focused global pgms account for 15- 20% of health aid

Health financing – trends and needs contd

- Very high proportion of this is off-BOP and even off-budget (study of 14 PRSPs - 30% was off – BOP and 20% was off-budget but in the BOP) – contradicts donor talk about country ownership
- WB / IMF approach thru PRSP's – no roadmap to integrate sectoral strategies with macroecon, no micro-macro links or medium to long term links => no improvement in predictability

Potential impacts of the fin crisis on hlth financing

3 pathways:

1. Via lower GNP growth

- Trade protectionism (agri subsidies, buy-American)
- Exports decline (collapse of trade finance)
- Fall in migrants remittances and outsourcing
- Financial sector losses spillover to the real economy (more important for 12 in the G20 and other developing cties with significant financial sectors)

=> Direct impacts on out-of-pocket spending by hh
(gender effects can be severe)

Potential impacts of the fin crisis on hlth financing contd

2. Growing dependence on IMF borrowing:
 - Loss of fiscal policy space (Hungary, Iceland, Latvia, Honduras, Pakistan, Ukraine and more) – typical structural adjustment conditionalities
 - US pushing govts to raise stimulus spending to 2% of GDP but IMF requires low income borrowers to stay below 1% - double standards of fiscal stimulus for the rich and fiscal discipline for the others
 - Fire sales of small and medium enterprises and ‘moral hazard’ (domestic replaced by foreign ownership; all big financial consultancy services – BCS, Deloit, MCK, declare losses in India!)
- => ‘born again’ structural adjustment thanks to the crisis – urgently needs tracking

Potential impacts of the fin crisis on hlth financing contd

- External assistance for health
 - Especially important for countries whose health systems are heavily dependent on such aid – both ODA and other including Global Fund, private etc
 - Needs tracking and advocacy

Programming challenges for SRHR

- ICPD agenda has been fragmented in a number of different ways
 - Separation of SRH from health systems strengthening (*basis for sustainability*)
 - Continuing separation of FP including supplies from STIs / RTIs /maternal mortality (*MDG 5 vs RH target*)
 - Separation of young people's health / rights from adults (*including in sex educn*)
 - Separation of HIV from rest of SRHR
 - Separation of health from rights / responsibilities (*safe abortion left hanging; also transformation of gender relations*)

SRH has been “utterly marginalised from the global discourse about health and well-being” (Lancet 2006)

Turning crisis into opportunity – example of HIV and SRHR

- Pre- and post-ICPD parallel streams
 - The *Global Strategy Framework on HIV/AIDS* (UNAIDS 2001) - epidemiological approach with a focus on “high-risk” groups such as sex workers, injection drug users, and men who have sex with men. Nothing about strengthening primary health systems and incorporating HIV prevention, counseling, testing, and treatment into the full array of community-based sexual and reproductive health services as agreed at ICPD.
 - In a 290-page history of the first ten years of UNAIDS, ICPD is mentioned only once (in connection with the missed ICPD+5 targets relating to young people’s knowledge of HIV prevention methods), and the words “reproductive health” do not appear in the index at all (Knight 2007)!

Turning crisis into opportunity – example of HIV and SRHR contd

- MDGs – HIV placed along with malaria and infectious diseases under MDG 6 while all the rest of SRH got initially was maternal mortality under MDG 5
- Global Fund (from 2002) – bulk of its funding has gone to treatment rather than prevention in the face of rapid feminization of HIV infection

“From the very beginning of the global response to the AIDS pandemic,” prevention has been marginalised. Treatment has dominated. This systematic imbalance in clinical and public-health programmes is largely responsible for the fact that around 2.5 million people become newly infected with HIV each year.” (Lancet 2008)

Turning crisis into opportunity – example of HIV and SRHR contd

- UNAIDS and WHO working in parallel
- UNAIDS 3-ones strategy has little that allows integration into national SRHR strategies or MDG strategies

Turning crisis into opportunity – example of HIV and SRHR contd

- Can Humpty-Dumpty be put back together?
- 5 suggestions:
 1. Although every organization has its own mandate, leadership can assign key actions relating to SRHR including HIV/AIDS higher priority (Example: recent statement by UNAIDS ED re prevention)
 2. Invest in health systems with priority to SRHR (Example: recent GFATM move in this direction; also IHP with SRHR outcome indicators)

Turning crisis into opportunity – example of HIV and SRHR contd

3. Prioritize prevention programmes in schools, communities, and health systems - information and counseling on the positive aspects of sexual and reproductive health as well as on how to avoid STIs/HIV, unwanted pregnancies, sexual coercion, and gender-based violence (Example: forward movement in Nigeria, Cameroun, Brazil, Peru, and Pakistan)

Turning crisis into opportunity – example of HIV and SRHR contd

4. Assist countries to incorporate SRHR fully into their national, district and local-level HIV/AIDS control programmes, and, conversely, to incorporate HIV prevention and treatment into all aspects of sexual and reproductive health information and services. Harmonize with planning for MDG goals

Turning crisis into opportunity – example of HIV and SRHR contd

5. Bilateral and multilateral donors to amend their HIV/AIDS policies and budgets to invest in SRHR Implementation remains a challenge, however, including fostering close working relationships and collaboration between what have been separate staff and lines of work and achieving better balance between budgets for HIV/AIDS and the other components of sexual and reproductive health and rights.

Keynes: “The difficulty lies not so much in developing new ideas as escaping from old ones”

And one might add: “.....Implementing them!”

Thank you.