

**"Control of tuberculosis is one of the cornerstones of the whole set of the Millennium Development Goals. If tuberculosis is not brought under control, not only do we fail directly in the tasks of improving health as mandated by the goals, but we fail in the challenges of reducing overall poverty"**

*Jeffrey Sachs, Director, UN Millennium Project*

## TAKE ACTION:

### **World TB Day: 24<sup>th</sup> March 2009.**

Write to the media (local or national) to highlight the need to maintain spending on Global Health during these difficult financial times.

### **Introduction**

It's hard to see your way through a storm when you're in the middle of one. Such is the predicament of the global health community, as we sort out what the financial crisis will mean for the health of poor people in developing countries months – even years from now. While nothing is known for certain, most agree the impact will be substantial and negative. However there are no forgone conclusions and now is the time to act in order to avert an unnecessary human catastrophe.

### **Funding squeeze**

*Foreign Assistance* - There are concerns that some World Leaders will seek to offset a tiny fraction of their bailout packages by reducing official development assistance (ODA) in general, and funding for health in particular. Research shows that after each previous financial crisis in a donor country since 1970, the country's aid declined.

A shortfall in ODA could have big repercussions. Poor countries rely on donor assistance to supplement domestic resources for essential services such as health – in many sub-Saharan African countries, close to half of all basic health sector funding comes from development assistance. If ODA decreases – especially during a period of global economic contraction – these services may be disrupted with an immediate negative effect on those in greatest need.

*Domestic spending* – Total health spending in countries that have been affected by an economic downturn tends to fall, but not consistently. Some governments have taken commendable steps towards guaranteeing health spending, whilst others have already signalled a reduction on the amount that they will spend. The composition of health spending is also a factor during

times of recession with many Ministries of Health looking to meet immediate needs at the expense of longer term projects on infrastructure and equipment etc. This can have long-term negative implications, especially if the downturn continues for longer than expected.

*Research and Development* - There are also concerns that funding for research and development – a crucial component of health spending may too begin to dry up as a consequence of the financial crisis. It may be more difficult to persuade private sector partners such as pharmaceutical companies that it's worth their time and resources to participate in public-private partnerships now, when firms are likely to be strapped for credit and have an even greater need to show near-term returns to shareholders.

*Foundations/Philanthropy* - Some foundations that depended on now-defunct hedge funds for contributions and/or which invested in the shakier parts of the stock market are likely to face a sharp decline in their assets. This makes it doubtful that they will embark on new initiatives that they otherwise might have considered.

Individuals who give to charities involved in overseas relief and development (whose collective giving amounts to over \$34.8 billion from the United States alone) – are also likely to have less to give away this year and next.

### **The Global Fund**

The Global Fund to Fight AIDS, Tuberculosis and Malaria, which supplies one-quarter of all AIDS funding and over two-thirds of all TB funding, is facing a funding gap of US\$5 billion.

It would be wrong to blame this funding shortfall entirely on the financial crisis as the shortfall is in

large part to do with the dramatic increase in demand for the Fund's resources. However, unless donors step up their commitments to the multilateral fund, grant amounts will be reduced by 25 percent during the second half of their five-year duration. During the World Economic Forum in Davos, Switzerland earlier this year, partners of the Global Fund said that if the Fund can not maintain its commitment to fund all high-quality programmes, then the G8 will have failed in its pledge.

If the World is seriously committed to achieving its aim of halting and ultimately reversing the spread of these deadly diseases by 2015 then now is clearly not the time to violate past commitments and promises.

### **TB control – at risk?**

Many experts believe that the economic crisis will have a major impact on worldwide efforts at controlling TB. Since 2002, worldwide funding for TB has increased at country level every year, but progress has slowed since 2006 and now there is a very real danger that funding levels could stagnate or even fall – with disastrous consequences for the world's poor.

If funding levels do not increase in line with the world's needs there are serious and growing concerns that TB infection rates and drug resistance may increase, with an additional negative impact from TB/HIV co-infection. Furthermore it has been suggested that the development of new vaccines, drugs and diagnostic equipment, so vital in the fight against the disease, may be put in jeopardy through lack of adequate funding

The World Bank estimates that the financial crisis has already put 100 million people back into poverty. This, could easily facilitate the spread of TB by sharply increasing the number of cases, overwhelming already overstretched health systems, and leading to a sharp increase in drug-resistant cases due to slower case-finding and inadequate tuberculosis treatment.

Whilst the moral imperative of continuing to invest in TB control should be clear to all, especially when you

consider that 14 million lives could be saved through TB control efforts by 2015, it is also worth considering the economic benefits of such action, with TB control thought to be one of the most cost-effective health interventions that can be made. A recent World Bank study concluded that for every US\$1 invested in TB control would reap at least nine times that in economic rewards. At a time when value for money and cost-effectiveness is high on the list of political priorities this fact makes a compelling case for maintaining and even increasing investment in TB prevention and care.

### **So what is the global health community to do?**

In the short-term, we must consider the potential reorientation of aid toward helping countries create viable safety nets in order to reach people who are made extremely vulnerable by shocks e.g., populations who are most affected by high food prices, loss of income and unemployment.

Over the long-term, more emphasis should be placed on monitoring donors' financial contributions to global health and making it visible when they shirk earlier commitments. The field of global health is crowded with populist promises that often go unrealised, but good results depend on the predictability and reliability of resources. Strong advocacy for more sustained health assistance should also continue.

The argument for investment in health is clear and compelling: good health improves labour productivity, facilities learning, and contributes to economic growth and poverty reduction. Furthermore, as several leading experts have pointed out, investment in health care can not only ameliorate the effects of recession, it can help to stimulate economic growth and have positive effects on global development. Finally, donors must ensure that aid reaches the poorest, and that this money translates into improved health.

It's time to think about development assistance, not as a luxury to pursue when times are good, but as a powerful stabiliser when times are tough. The poorest need our help now more than ever.