

The positive contributions of global health initiatives

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According to the Organisation for Economic Co-operation and Development, the health sector has become a major recipient of development assistance from just over US\$ 6 billion in 1999 to US\$ 13.4 billion in 2005.¹ The bulk of this increase can be credited to disease-targeted programmes and new global health partnerships, such as the GAVI Alliance (formerly the Global Alliance for Vaccines and Immunization) and the Global Fund to fight AIDS, Tuberculosis and Malaria. By August 2008, the Global Fund had approved grant agreements worth over US\$ 11 billion with 136 countries, becoming the most important single agency for health assistance in terms of numbers of country partners and diversity of recipients.

WHO's 2001 report on macroeconomics and health provided clear evidence that improvement in the global health of the population should not be considered a natural consequence of previous economic growth and that massive investment in public health is a necessary prerequisite for economic development.² There is growing consensus in economic research that improvements in health encourage economic development through a direct impact on workers' productivity. Not only does better population health reduce losses due to morbidity and mortality, but the modification of microeconomic behaviours related to anticipation of longer life expectancy fuels increased savings and investment, as well as the transmission of improved human capital from one generation to the next.^{3,4} Various experts report large gaps between actual funding and internationally agreed health goals:⁵⁻⁷ for Africa alone, it has been estimated that to reach the health-related Millennium Development Goals, annual external public financing for health assistance may need to reach some US\$ 25–30 billion by 2010.⁸ Since demand explicitly expressed by countries tends to align with increased absorptive capacities and effective health needs, these gaps will translate

from hypothetical scenarios to practical challenges for the international donor community and domestic governments. In response to the 2008 Round 8 of the Global Fund, 97 countries have asked for a total of US\$ 6.4 billion in fresh grants, nearly three times as much as in previous rounds.⁹

However, as discussed in this theme issue of the *Bulletin*, simply advocating for more money invested in health is doomed to fail in the absence of a more efficient and rational use of available resources. The bad news emerging from the health economics literature is that there are still major uncertainties about what the specific contribution of health spending to growth really is and, consequently, the optimal level of investment for health relative to other social expenditures, to adequately realize macroeconomic policies and to improve governance and efficiency in health-care systems. The good news is that some countries are on their way to finding solutions.

While the majority of total health expenditures in most developing countries are funded through households' out-of-pocket payments at the point of consumption (i.e. the most regressive and inequitable financing mechanism),¹⁰ global health initiatives contribute to reducing this burden by subsidizing access to essential medicines. Abolition of user-fees and cost recovery policies have been proven to increase access for people on very low incomes and to facilitate adherence and success of treatment, as clearly shown by data from HIV care programmes.^{11,12} In Rwanda, the Global Fund has supported the expansion of community health insurance coverage for 3.3 million people on low-incomes, including approximately 300 000 people living with HIV/AIDS and 150 000 orphans. About one-third of expenditures supported by the Global Fund are already devoted to upgrading health-care infrastructures and to training and capacity building for health-care personnel. Both

GAVI and the Global Fund now offer specific mechanisms for funding health systems using "cross-cutting" solutions. Moreover, by reducing mortality among health-care personnel, by reducing the incidence of infectious diseases through prevention interventions and by limiting hospitalization rates for appropriately treated individuals, disease-targeted programmes allow better use of the scarce resources for health systems. While it has been argued that health aid is often poorly harmonized, leads to undue transaction costs for governments and implementers and may even jeopardize appropriate health reforms, global health initiatives are putting the March 2005 Paris Declaration for Aid Effectiveness into practice. For example, the Global Fund grants are performance based, meaning that initial funding decisions and grant renewals are subject to rigorous evaluation and outcome indicators offering strong incentives for improving efficiency and productivity in health systems. The Global Fund encourages national ownership of programmes, including the involvement of representatives of civil society and the private sector in formulating proposals and overseeing grants, which promotes participatory democracy in health policy. The Global Fund Board has also recently approved the support of national strategy applications to simplify grant proposals and reporting procedures.

Previous experience in health-care financing should remind us that the expected benefits of improved national planning and the acceptance of a common framework for funding decisions have to be balanced with the risks of excessive bureaucratic control, reduced flexibility, innovation, and decentralization in decision-making. ■

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