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GLOBAL HEALTH CRISES

BROOKINGS GLOBAL EXPERTS

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From responding to the threat of pandemic flu to efforts to controlling the spread of HIV/AIDS, the world has begun to realize that global health issues are relevant for any citizen, regardless of nationality, residence or status. Despite improvements in the world's collective ability to battle disease with advances in medicine and technology, global health needs remain unmet, making the entire world vulnerable to health crises. In particular, poor countries continue to suffer disproportionately from inadequate public health systems and resources, exacerbating their struggle out of poverty.

THE GLOBAL CONTEXT

An estimated 2 billion people worldwide lack access to basic health services. The result is a staggering level of preventable disease. For example, malaria infects more than 500 million

people a year and kills more than a million, equating to approximately one death from malaria every 30 seconds. The disease wreaks the most havoc in Africa, where it is a leading killer of children and costs the continent approximately \$12 billion a year in lost productivity.

Further, the citizens of poor countries must pay the most out-of-pocket for their health care, because poor governments lack the finance to provide for a functioning, accessible health system. According to Julio Frenk, minister of health for Mexico, an estimated 150 million people and 25 million households are impoverished globally because they are required to make out-of-pocket payments for health care. Of the \$3.2 trillion spent on health care worldwide in 2002, only 12 percent was spent in low- and middle-income countries, which house 90 percent of the world's burden of disease.

The financing needs to address global health challenges are daunting; estimates range from an additional \$30 to 70 billion a year, or three to eight times the amount of aid for health currently provided by donor countries. Aid for health increased by over 50 percent from 2002 and 2005, reflecting major increases by donor countries, including the United States, and the creation of new

financing partnerships like the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Alliance for Vaccines and Immunization (GAVI). Even with these notable increases, the level of funding for global health remains significantly below estimated needs. Faced with these tremendous financing challenges, policymakers are turning to innovative solutions to provide more—and more effective—aid for health.

RECOMMENDATIONS FOR ACTION

Innovative solutions for global health financing encompass a variety of mechanisms, tools and methods of providing aid. Recent examples include making an Advance Market Commitment for the future provision of a vaccine against *Streptococcus pneumoniae*—a proposal developed by Brookings and Harvard scholar Michael Kremer—and an airline tax to raise funds for antiretroviral drugs. Yet while numerous innovative financing proposals have been put forth, little evidence exists for which proposals will be most successful in yielding a sustained health impact.

A focus on health outcomes—with the aim of getting more health for each aid dollar—requires a close look at current problems with health aid and financing: the level of flows, the pattern of flows, the match between flows and country needs and priorities. This is the aim of the Brookings Global Health Financing Initiative (www.brookings.edu/global/health.htm). Innovative financing proposals have a tendency to require new governance structures or tricky financial engineering. GAVI created a new charity to facilitate the flow of front-loaded funding for immunization from the newly launched International Finance Facility for Immunization, while a whole new global health partnership, UNITAID, was created to receive contributions from the airline tax. This additional complexity on the part of the donor community is unnecessary unless it is singularly designed to yield more or better financing for recipient country use.

More and better financing is not an unknown or elusive goal. Regardless of the governance or financing arrangements required, financing that is predictable, long term, untied, coordinated, and in line with recipient needs and priorities allows countries to better invest in the health of their citizens. The innovative tools that are built to provide finance with these characteristics will undoubtedly prove to be worth the investment.

WANT TO READ MORE?

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