LEVERAGING THE NEW REALITIES OF GLOBAL HEALTH FINANCING

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UNAIDS

SPEECH

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Thank you. It is an honour and privilege for me to be here this morning. I want to congratulate you for your work. The Centre for Global Health and Diplomacy is one of the only real platforms we have for discussing and shaping the world of health care to come. That this room is full at 7:30 in the morning shows how important this platform is to so many.

It is so important and timely that we reflect on the financing of global health over the next 20 years. Remember that when we were establishing the Millennium Development Goals (MDGs) 15 years ago, the world was a vastly different place. And it is still changing very rapidly with every day.

We are seeing seismic shifts in the geopolitical environment. Today we have an economically rising Africa and emerging nations with completely different systems of government. More often, we see big decisions being made outside of central government, with more democratic involvement of civil society and the private sector in shaping policy and progress.

When we reflect on the megatrends that are shaping the world, it is clear how important it is that we gather like this to discuss financing the future: Because the trend of growing inequalities, seen everywhere, is becoming a historic challenge to our human family.

We need to channel this new growth into more equitable distribution of opportunities and a greater commitment to social justice. It is a moral obligation—and an economic one—to ensure that no one is left behind.

A second megatrend we are seeing is the shift in the geography of poverty. When we established the MDGs, almost 90 percent of the world's poor lived in low-income countries. Today, three out of four poor people live in middle-income countries. How does this change the conversation on financing global health in the next 20 years? The entire paradigm has to transform.

Health is not something we will be able to address in isolation. We need to look at how this trend changes allocation decisions and how we can address the growing threat of non-communicable disease and issues caused by unhealthy environments and lifestyles.

I was talking to a friend from China recently, and he told me, “All of us wake up in the morning and take a bath like the ‘privileged European,’ but I worry that someday we will have no more water.”

So what will be the impact on society, and on financing health, when we are no longer just concerned about the health of millions of people, but *billions*? Our old approaches to medicines, to health systems, to research and technology, are obsolete.

If we are talking about reaching billions—in Africa, India, China and the rest of the emerging world—what should our new delivery system look like? What new approaches will we need to invest in to make sure we have commodity security? What will be the role of innovation in financing?

It is not just about producing more medicines or developing new tools. It is about being cost-efficient by capturing innovation at every level of health—to reduce the cost of doing business and to spread resources across the spectrum of society. This is key to financing health in the future. So let us not focus too closely on our past successes, forgetting about emerging countries, and the communities within, that still face huge vulnerabilities in a world that is transforming rapidly.

The data revolution that is happening now will help us become more strategic in the way we prioritize where our resources will go to maximize their effect and the return on investment. We have the tools to make the money work harder.

But it is not just about money. It is about targeting resources where they can address the social drivers of health: unequal opportunity, violence against women and girls, the disaffection of young people, discrimination and injustice, etc.

From fragmented to interconnected global systems

We cannot talk about financing if we do not talk about systems of governance. The discussion of investing in health must address the role of governments in solving the serious problems that people face every day. This is what should happen in a very highly interconnected society, where governments, health systems and people most affected are working at the same table.

This interconnectedness is global. A leader of a country like Mali, for example, can no longer make a simple government decision and expect the consequences to stay within Mali. Immediately, the rest of the world will feel the effects. We must consider all the ramifications of this interconnected world when we ask questions about what our accountability and responsibilities will be, and how to deliver on that in terms of global resource allocation and domestic resource mobilization. The answers we craft will form the next-generation response to health financing and the basis to put pressure on changing an aging system.

Transforming the role of ODA

But let me be clear: ODA is still very important as a sign of global solidarity. But believing the ODA will solve the problem of global health is a big mistake. The amounts are not even as large a financial factor as remittance transfers to countries, which are three times higher. ODA was created at a time when one part of the world had money and the other did not.

This equation is no longer valid, so ODA cannot be regarded in the old way. We need to reengineer our approach. First, we must move away from the idea of ODA as charity toward it being a more sustainable engine for growth, making sure that we are bringing the private sector, civil society and other key partners to the centre of development policymaking. This will certainly drive more innovative financing opportunities.

Let me offer the AIDS response as an example of this. Just a few years ago, when I finalized the first report for African Heads of State on the dependency crisis, 95 percent of HIV drugs were financed by just two sources—PEPFAR and the Global Fund, and 90 percent of those drugs were coming from one place—India. When I shared the report with these African leaders, they were determined to create a roadmap for shared responsibility and global solidarity. But there was a lot of skepticism. Some in the global development community were certain it would never work.

But over the past five years, African countries have been using the roadmap to increase their domestic investments in AIDS by 150 percent. Countries that were completely dependent have turned their financing strategies around. South Africa is now putting US$2 billion into its own epidemic—the largest domestic AIDS investment in the world. From Senegal to Lesotho, from Rwanda to Uganda, African countries are putting domestic resources at the centre of their response to sustain the gains they have made.

Mobilizing resources for global health only from the outside is a trap, and it will fail. There are not enough of these resources, and they are unpredictable. All countries must make the transition to independence, and sustain it for their people.

Again using the example of HIV and AIDS: If we had to buy lifesaving medicines at the cost we were paying a decade ago—US$10,000 per person per year—it would cost us US$71 billion to put 12 million people on treatment. This is far more than the total ODA for Africa. But because we were able to influence the trade debate, and to influence innovation through generics and other approaches, we have been able to reduce that to just $US1.3 billion. That is what I call a solid return on investment—a savings of $US335 billion over 10 years. Think of how all those resources went to do other things to help people.

The train has already left the station. Countries are not thinking about things in the same way anymore. This is a new paradigm for partnering, and we must seize this opportunity to work together to really change lives now and in the future.

Thank you.

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The Joint United Nations Programme on HIV/AIDS (UNAIDS) leads and inspires the world to achieve its shared vision of zero new HIV infections, zero discrimination and zero AIDS-related deaths. UNAIDS unites the efforts of 11 UN organizations—UNHCR, UNICEF, WFP, UNDP, UNFPA, UNODC, UN Women, ILO, UNESCO, WHO and the World Bank—and works closely with global and national partners to maximize results for the AIDS response. Learn more at unaids.org and connect with us on Facebook and Twitter.