Press Release

Investment in Global Health Will Save 8 Million Lives a Year and Generate at Least a $360 Billion Annual Gain within 15 Years, Says a New Report Presented to WHO

20 December 2001

A drastic scaling up of investments in health for the world’s poor will not only save millions of lives but also produce enormous economic gains, say experts in a landmark Report presented today to the World Health Organization (WHO).

A group of leading economists and health experts maintain that, by 2015–2020, increased health investments of $66 billion per year above current spending will generate at least $360 billion annually. About half of this will be as a result of direct economic benefits: the world’s poorest people will live longer, have many more days of good health and, as a result, will be able to earn more. The other half will be as a consequence of the indirect economic benefits from this greater individual productivity. It will mean a total economic gain of at least US $360 billion per year – a six-fold return on the investment.

To achieve this, the experts state that a dramatic increase in resources for health over the next few years is needed. About half of the total increase would have to come from international development assistance, while developing countries would provide the other half by re-prioritizing their budgets.

“With bold decisions in 2002, the world could initiate a partnership between rich and poor of unrivalled significance, offering the gift of life itself to millions of the world’s dispossessed and proving to all doubters that globalization can indeed work to the benefit of all humankind,” the 18 members of the Commission on Macroeconomics and Health write in a joint foreword to their Report. The investment plan, they conclude, is needed to meet the Millennium Development Goals for health agreed by the international community at the Millennium Summit of the United Nations in September 2000.

The Report, Macroeconomics and Health: Investing in Health for Economic Development, was presented today by the chair of the Commission, Professor Jeffrey D. Sachs, to Dr Gro Harlem Brundtland, Director-General of the World Health Organization.

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In 1999 Dr Brundtland, who chaired the UN Commission on Environment and Development 15 years ago, invited Dr Sachs to chair a commission of 18 leading economists and senior public health experts. The Commissioners worked for two years to produce their Report. Six expert working groups supported them in this task.

The Report argues that the links between health, poverty reduction and economic growth are much more powerful than has been generally understood. The Commissioners use clear scientific evidence to challenge the traditional argument that health will automatically improve as a result of economic growth. Their Report shows that the opposite is true: improved health is a critical requirement for economic development in poor countries.

**Scaled-up Investments Needed**

One of the key recommendations of the Commission is that the world’s low-and middle-income nations, in partnership with high-income countries, should scale up access to essential health services for the world’s poor. The focus should be on specific measures to control the deadliest and most debilitating diseases.

The current level of official development assistance (ODA) for health stands at around US $6 billion per year. This donor support should be increased to US $27 billion per year by 2007 according to the plan laid out by the Commission. The increase would allow for vastly greater health care for the poor, as well as stepped up efforts in research and development for new technologies to fight the diseases of the poor. Much of the aid would be directed towards sub-Saharan Africa, where the health emergency is most severe.

The low- and middle-income countries, on their part, would need to commit additional domestic financial resources, political leadership, transparency, and mechanisms for community involvement and accountability to ensure that adequately financed health systems can operate effectively and address the key health problems of the poor.

Under the plan, donor and recipient countries would enter into a new ‘health pact’ based on mutual trust and monitored performance. Contributions for health from high-income countries would amount to approximately 0.1 per cent of their GNP. Developing countries would aim to raise domestic budgetary spending on health by an additional 1 per cent of GNP as of 2007, rising to 2 per cent in 2015. Spending would be aimed at the main illnesses of poverty such as malaria, tuberculosis, HIV/AIDS and childhood diseases.

The new ‘health pact’ proposed by the Report would redefine the relationship between donor and recipient countries. Under the pact, international financing of health - and the mechanisms of donor financing - would evolve to include increased debt relief and increased mobilization of tax revenues for health.

The Report foresees a major role for the planned Global Fund to Fight AIDS, Tuberculosis, and Malaria, and proposes the establishment of a new Global Health Research Fund to ensure needed research into new medicines and vaccines for diseases that disproportionately affect the poor.

“With globalization on trial as never before, the world must succeed in achieving its solemn commitments to reduce poverty and improve health,” say the Report’s
authors. “The resources—human, scientific, and financial—exist to succeed, but now must be mobilized.”

In the present environment, “it is all the more important that the world commit itself to sustaining millions of lives through peaceful means, using the best of our modern science and technology and the enormous wealth of the rich countries. This would be an effort that would inspire and unite peoples all over the world.”

**Differential Pricing of Medicines Should be the Norm – Not the Exception**

The Commission outlines a new global framework for access to life-saving medicines that includes norms on differential pricing schemes, broader licensing, and bulk purchase agreements.

The Report considers differential pricing in low-income markets the best solution to ensure access to essential drugs in poor countries. Under differential pricing, rich countries bear the costs of research and development, while poor countries pay only the “baseline” costs of production.

The Report also calls for WHO, the pharmaceutical industry (both patent holders and generic producers), and low-income countries to agree jointly on guidelines for pricing and licensing of production in low-income markets to ensure access to essential medicines. This is very much in the spirit of decisions taken at the World Trade Organization’s Ministerial Conference in Doha during November. Delegates agreed to put emphasis on the public health needs of the poor within international trade rules.

The industry would agree to license their technologies to producers of high-quality generic pharmaceuticals for supply to low-income countries under two conditions – when they choose not to supply those markets themselves or when the generics producers can demonstrate that they can produce high quality drugs at a markedly lower cost.

Finally, TRIPS (the agreement on trade-related aspects of intellectual property rights) safeguards would be interpreted broadly to ensure that even those poor countries that cannot avail themselves of domestic production of pharmaceuticals through voluntary or compulsory licensing can still be assured of access to generic production from third countries.

The Report stresses, however, that the larger problem of poverty, the lack of effective procurement and distribution systems, and the inability to effectively prescribe the right medications are often greater impediments to a wider access to life-saving medicines than patent rules.

**Disease Provokes Instability**

Commissioners note that, as the world embarks on a heightened struggle against the evils that destabilise our societies, there is an increasing commitment, from world leaders, to the peaceful empowerment of millions of people whose lives are threatened by suffering and disease.

Studies demonstrate that there is a strong correlation between “State failure” (in which governments fail because of the disintegration of State functions, coups, or civil
war) and high rates of infant mortality. By helping to control the diseases of the poor, wealthy countries will also benefit from the resulting political and social stability and faster economic growth in the developing world.

The Report indicates ways in which globalization contributes to the spread of diseases. Studies suggest that a small increase in movement across borders (e.g., due to tourism, migration, business travel or flows of refugees) substantially increases the transmission – and incidence – of infectious diseases.

A Few Health Steps Could Save Millions of Lives

According to 1998 data, almost a third of deaths in low- and middle-income countries are due to communicable diseases, maternal and perinatal conditions and nutritional deficiencies. These can both be prevented and treated.

Just a few diseases account for most of this ill health. These are HIV/AIDS, tuberculosis, malaria, childhood diseases, unsafe pregnancy, infant illness at the time of delivery and tobacco-related illnesses. Malnutrition exacerbates these diseases.

Effective interventions for the prevention and control of these conditions already exist. Large reductions in mortality and morbidity can be achieved almost anywhere, even in war zones. Only 10 per cent of the world’s poor people live in countries where there is no infrastructure at all and the scaling up of health interventions will prove to be particularly challenging. However, it is feasible for countries to scale up health interventions for the vast majority of the world’s poor people provided that financial resources are adequate. The Commission therefore recommends that donors should indeed invest amply in a bold process to strengthen the effective operation of health systems.

The Commission also shows that the highest priority for scaling up is at the community level, where actual health services are delivered. The Report terms this the close-to-client, or CTC part of the health system. Scaling up at the CTC level involves a basic strengthening of staffing at this level, an adequate supply of drugs, and an increased capacity for transport and connection with the rest of the health system.

The resources and know-how exist to save millions of lives, turn the tide on global ill health and poverty, and harness global economic development. The Commission asserts that the countries of the world cannot afford to pass by the present opportunities for effective action. Their legacy will benefit countless future generations and help safeguard the health of the people and the planet.

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An electronic version of the Report will go live on www.who.int/cmhreport at 14:00 GMT, 20 December 2001.

Hard copies of the report can be obtained from:
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