

**Statement to the Economic and Social Council at the General  
debate for the 2009 High-Level Segment on behalf of  
the Committee for Development Policy (CDP)**

**by  
Mr. Ricardo Ffrench-Davis  
Chairperson of the CDP**

Madam President, Distinguished Delegates,

With great pleasure I present to you the relevant parts of the Report of the 11<sup>th</sup> session of the Committee for Development Policy (CDP) on the main issue being addressed by this High-Level Segment.

The deep global economic crisis is severely affecting the hard-won gains towards the MDGs. There is more poverty, hunger, and children dying as a consequence.

There is urgency in stepping-up international efforts in supporting the development agenda and protecting the most vulnerable. In this regard, I would like to draw your attention to two sets of recommendations by the CDP for consideration of the Council.

The first relates to how global partnerships can improve the health of the vulnerable. The second reiterates a recommendation we made last year, before the present crisis took global proportions, but which has become even more relevant today; namely, on contingency financing for developing countries; lack of more intensive and effective action severely affects health outcomes. Let me elaborate on these two issues.

Over the past decades, health outcomes have improved worldwide. Yet, despite progress, wide disparities in health conditions exist between and within countries. CDP has been especially concerned with health inequalities and how these can be reduced in developing countries.

In CDP's view, existing inequalities in social and economic conditions are the main determinants of inequalities in access to health care and thus health outcomes. CDP shares this relevant conclusion with the WHO Commission on the Social Determinants of Health.

There is a need to fight more effectively the effects of the present crisis on health outcomes and to improve health policies directly.

In most developing countries, a child born to more affluent parents is much more likely to survive than one born in humble circumstances. Large gender gaps in income and job opportunities also carry worse health outcomes for women. Poor rural areas and urban slums often have few health facilities. As well, there is discrimination against certain ethnic or religious groups.

Reducing health inequalities would make it easier to achieve the health-related MDGs, because it is among poorer groups that there is the highest potential for improvements.

So, what can be done and how can the international community help?

The world must ensure that health gaps are reduced. The Committee recommends that targets and indicators relating to health inequalities within countries are included as part of the official MDG targets. This would encourage countries to include explicit policy goals and targets for improving access to national health services for disadvantaged groups.

The financing of better health policies was also addressed. It was concluded that there was a need to improve tax collection in developing countries. International cooperation to combat tax evasion taking place through tax havens should be a crucial ingredient of these efforts. More own money to finance own needs in developing countries.

But domestic resources will continue to be insufficient, particularly in LDCs. Since the adoption of the MDGs, international development assistance for health has increased significantly. This is indeed a very positive development. Global health partnerships – now close to 100 initiatives-- have given a major impetus to improving health conditions in developing countries. Yet, the Committee feels that there is much scope for further improvement. Let me stress two key points:

First, the CDP notes that the Global Health Partnerships often do not coordinate their activities well with existing national health systems. In cases, a high burden is placed on the recipient's national administration as it deals with numerous agents with disparate procedures and work dynamics. In some instances, GHPs unintentionally weaken national health systems by attracting professionals from the public sector which is already facing shortages of skills.

Hence, a key recommendation of the CDP is that Global Health Partnerships should take extreme care in strengthening the national health systems and embed the disease-specific approaches into the broader delivery system. Like the "traditional" donors, all Global Health Partnerships should follow the principles of the Paris Declaration.

Madam President,

The second point I want to make relates to the impact of the global economic crisis on health and health care. Recall the shared conclusions with the WHO Commission. One lesson of the experience of various crises of the 1980s and 1990s is that public health conditions tend to deteriorate notably. Today we see that especially the poorest countries lack the fiscal space to respond to the crisis with countercyclical measures.

Fiscal policy is a crucial ingredient in the way out of the present critical world situation. In our report of last year, the CDP pointed to the urgent need to reform existing mechanisms of compensatory financing and assistance in response to external shocks and global demand downturns. CDP wishes to reiterate this recommendation today.

Some action has happened on this front. The CDP welcomes the measures agreed at the G-20 meeting in London in April. But delivery on the commitments made has to be expedited. Moreover, sufficient resources need to be made available to low-income countries. The promised \$50 billion in emergency financing may well fall short of what is needed if not complemented by accelerated delivery on all ODA commitments.

CDP is also concerned with the persistence of those conditionalities attached to emergency funding that limit policy-space. We acknowledge the important steps taken by the IMF to increase flexibility and review conditionality. Yet, new ex-ante policy conditions still limit the space for effective countercyclical policy action. If anything, conditionalities need to be aligned to internationally agreed goals, including those on public health and innovative financing for development.

Accordingly, CDP strongly supports the decision of making significant allocations of SDRs. As argued in its 2008 and 2009 reports, CDP believes that SDRs are an important source of finance for contingency facilities to mitigate the impact of trade and financial shocks affecting social and health outcomes in developing countries. We also welcome the decision to strengthen the role of SDRs as a global reserve currency.

I hope these recommendations will contribute to the Council's work in finding practical solutions to some of the challenges currently confronting the world's poor.

Many thanks.