

ECOSOC Thematic roundtable

“Trends in aid and aid effectiveness in the health sector”

Mr. Luis Riera Figueras

Director for Development Policy, Directorate General for Development and Relations
with the ACP States

European Commission

Speaking points:

Ladies and Gentlemen,

- Thank you to the ECOSOC Presidency for considering our participation in this round table. We give priority attention to health in the context of our development policy. We also believe that applying the aid effectiveness principles is critical to reinforce the social role of the state, and the universal access to basic health services, the most concrete translation of respecting the equity in the right to health.
- This Palais des Nations witnessed the global commitment to the right to health as was defined 60 years ago in the Universal Declaration of Human Rights, where article 25 relates to the right to medical care and the right to security in the event of sickness and disability, while motherhood and childhood are entitled to special care and assistance. 60 years old, and cannot be more relevant in today's world.
- But, besides the rights' dimension, there is overwhelming evidence that investing in health pays off in economic growth through productivity. But less known and probably of larger and more profound impact is the effect in terms of learning and educational gains of well nourished and healthy children, the basis for a strong new generation owning their own future.
- Health is hence, fundamental to all the dimensions of development. And development is key to ensure a healthy environment and reduce the risks of ill health and burden of health care demands.
- But Health in developing countries is overall close to stagnant in the countries with worst health indicators and lowest domestic public financing capacities, especially in Africa.
- Experience has shown that economic growth alone has not correlated with poverty alleviation and progress towards the MDGs. The present financial crisis is a clear proof that economic growth on its own does not guarantee sustainable development and social cohesion. We need to balance continued and sustained growth with greater equity to ensure that growth benefits the entire population.

- I would like to highlight in this context that the Commission package on supporting developing countries in the context of the current crisis, we have proposed especial financial envelope to secure health and education expenditures for those countries experimenting higher financial difficulties.
- There is a strong correlation between the levels of public funding for health, and the access to basic health care services, especially for the poor; and the sustained progress towards health MDGs. Clearly public financing is not the only and often not even the main factor influencing health; but in most of the countries I mentioned earlier, it is a pre-condition for equity of health care and health indicators.
- Mainly due to the large mobilization of funds to confront HIV/AIDS, the levels of health ODA have tripled in this decade.
- However this increase has brought one of the main challenges in the health sector at country level: a large proportion of health ODA is fragmented in a myriad of often disconnected initiatives and which are far from sector dialogue principles and the Paris and Accra commitments on alignment. Besides this fragmentation, health ODA is highly volatile and has very low degrees of predictability
- We see with great hope the recently adopted resolution on Primary health care and Strengthening Health Systems at the World Health Assembly. It's bringing back Alma-Ata principles with a wider understanding of primary care as the equitable and universal access to comprehensive health care, and with a clear framework of commitments to secure national and external resources in aligned, effective and sustained ways.
- We are full of expectation on the leading role of WHO in concretizing this challenge in the action plans on inclusive leadership, universal coverage, patient-centred approach and health- in-all policies. We are also convinced that today's ECOSOC Ministerial declaration will help in pushing this process forward.
- In this global context, what is the EC role, and more important, what might be the EC added value? While we continue to have a leading role in many fragile contexts, if only focus on direct support to health, we will get a biased picture of the EC's contribution to health in developing countries.
- This is so because our policy, particularly in Africa, is to provide increasing share of ODA through general budget support. This is based on its value in the context of the Paris principles on alignment and predictability; and how these elements are fundamental to allow financing the main components of the health sector: the recurrent costs of salaries, medicines and decentralized management.
- We need to support health systems with public financing which can ensure equitable access to comprehensive basic health services prioritized in the countries and not in New York, Geneva or Brussels, and facilitate the participatory analysis and the setting and rolling of those strategies in close dialogue with them.

- In the framework of our participation in global initiatives such as the Global Fund and GAVI, we actively encourage these initiatives to move beyond a strictly disease approach and to gradually support wider health system challenges.
- Our focus on budget support does not imply that we do not look into global problems that deserve global actions. Regarding health systems, we will give more attention and greater coherence in addressing migration and human resources for health and trade and access to medicines.
- *In this regard, let me shortly respond now to the observation in India's Honourable Minister of External Affairs intervention yesterday regarding the seizing of generic drugs in transit in European ports. I would like to assure the Indian authorities that we are following these issues up in a comprehensive manner. Today the EC has released the annual report on EU customs' enforcement of Intellectual property rights. It shows that there are reasons of concern in the traffic of counterfeit medicines which pose a risk for the health of population in developing countries. However, ensuring access to affordable medicines in developing countries remains an unwavering commitment of the EU. We agree that customs action against counterfeit and substandard medicines should not hamper the legitimate trade in genuine generic medicines.*
- We believe that the **increased scale, greater predictability and better alignment of EU aid** will encourage sound policies and adequate financing to ensure equitable access to basic services, including health.
- We also look forward to enhancing the **level and depth of development and sector policy dialogue** so as to effectively link **general budget support** with the desired progress towards MDGs.
- In this context, the EC recognizes the **International Health Partnership** as the reference framework to advance in the commitments to aid effectiveness in the area of health. The IHP has the potential, by updating the SWAP principles in today's aid architecture, to facilitate higher levels of health development aid, and more ownership, alignment and predictability of aid.
- But we all donors should at any price embark on a unique and coordinated process of joint assessment of national strategies. Otherwise the IHP process will not fulfill its high expectations.

Ladies and gentlemen,

- We know already the relevance of the health priority. We acknowledge the sense of urgency of those 10 million children neglected from their chance to live due to an insulting inequity in global resources for health care.
- We are committed in the EU to set the comprehensive policy so long needed, to work in trustful but frank partnership with developing countries and to mobilize the

commitments we're bound to. We believe in it. And we'll facilitate the essential role Europe will play in this renewed challenge.