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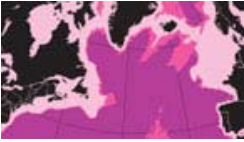


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Financial Crisis May Kill in Congo as Global Health Aid Stalls

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By Simeon Bennett

Jan. 17 (Bloomberg) -- Europe's debt crisis has brought down governments, roiled markets and triggered austerity measures affecting millions kill.

In the Democratic Republic of the Congo, 28,000 people with HIV who were meant to start life-saving treatment by 2014 may not because of sl foreign aid that pays for the nation's AIDS drugs, according to Doctors Without Borders. Some of those people will get sick and die, said Thier HIV analyst with the charity that runs AIDS clinics in Congo.

"Because of the lack of drugs people don't test themselves," Dethier said in an interview from the capital, Kinshasa. "And because of that, pec are dying."

Governments struggling to curb deficits from Spain to the U.S. have cut or slowed the growth of their contributions to the World Health Organi: disease-fighting funds that prop up health services in the world's poorest countries, according to a report by the Institute for Health Metrics an a research unit at the University of Washington in Seattle.

"The financing is only going to get worse," said Lawrence Gostin, a professor of global health law at Georgetown University in Washington, an a committee advising the WHO on an overhaul of the Geneva-based organization. "You've got donor states in financial crisis and there is incr competition for funds."

Growth Slowing

Medical aid has increased less than 4 percent a year since 2009, after an average annual gain of 13 percent between 2002 and 2008, and re billion last year, the Institute for Health Metrics and Evaluation said in its report last month.

"That was about the same amount that Americans spent on Black Friday," said Katherine Leach-Kemon, the report's lead author, referring to Thanksgiving that marks the start of the Christmas shopping season.

The U.S. increased its health aid by 1.6 percent to \$7.6 billion last year, after increasing its contributions by an average of 18 percent over th decade, according to the institute's estimates. Spain cut its donations by 19 percent last year to \$246 million, while the Netherlands reduced it by 15 percent to \$211 million.

Now those cuts are starting to bite. The Global Fund to Fight AIDS, Tuberculosis and Malaria, which has spent or committed to spending \$22 | 2002 combating the world's three deadliest infectious diseases, said in November it won't make any new grants for the next two years becaus in contributions.

Contributions Frozen

Italy, which contributed more than \$1 billion between 2001 and 2008, hasn't paid the \$168 million it pledged in 2009, according to data on the website. Spain owes \$116 million of the \$250 million it promised in 2010. The two countries made no commitment for last year, nor did other n: by the financial crisis such as Greece, Iceland and Portugal.

Spain has frozen its contributions to the Global Fund and and doesn't know when it will resume them, said a foreign ministry spokesman who c identified, citing government policy.

The Dutch government decided to reduce development assistance to 0.7 percent of gross domestic product by 2012 from 0.8 percent in 2010 spokeswoman for the foreign affairs department in The Hague who declined to be identified.

Iceland reduced all foreign aid after its economic collapse in 2008 and has no immediate plans to resume payments to the Global Fund, said I Ingolfsson, a director in the foreign ministry.

Honoring Pledge

Ireland lowered its contributions to the Global Fund in 2010 and 2011 "due to the constraints on the Irish economy as a result of the current fi said Fionnuala Quinlan, a spokeswoman for Irish Aid. "Ireland is committed to honoring our pledge to the Global Fund, albeit over a longer tirr originally projected."

Italy is behind on its payments to the Global Fund but remains committed to providing foreign aid, said Renato Balduzzi, the nation's health mi mail. Portugal and Greece didn't respond to requests for comment.

The Global Fund scrapped its funding round after the decline of the euro, in which it receives more than half its donations, wiped \$400 million

of its donors' contributions, Stefan Emblad, the organization's head of resource mobilization, said in an interview.

"Governments in donor countries across the board are struggling, and we're seeing some severe public expenditure cuts," Emblad said. "Sorry to impact development assistance."

Cutting Jobs

The fund will still disburse about \$10 billion of previously approved grants between 2011 and 2013, Emblad said.

The Global Fund isn't alone. The WHO, which was formed in 1948 and helped rid the world of smallpox 30 years later, has cut more than 1,000 worldwide, or 12 percent of its workforce, since July 2010 as a surge in the Swiss franc swells its costs and member nations tighten donations.

The cuts include the elimination of about 450 permanent jobs, and the rest were short-term contracts that weren't renewed as the WHO sought to save costs, said Andrew Cassels, the organization's director of strategy.

While the organization's staff has increased 6 percent in the past decade, the cost of paying them has jumped 40 percent, Cassels said. The Swiss franc, in which the WHO has a third of its costs, and a decline in the value of the dollar, in which it gets 76 percent of income, have cut its purchasing power to 64 percent of what it was a decade ago.

Turning Point

"It is a turning point," Cassels said. "In planning forward we recognize that income is not likely to go up. We recognize that costs are likely to increase."

Salaries for Geneva-based staff will cost about 17 percent more this year than in 2010, according to a document prepared for the weeklong WHO's executive board that started yesterday. The board is considering charging some or all of its membership fees in francs instead of dollars.

The WHO has also reduced its budget for 2012 and 2013 by 13 percent to \$3.96 billion from \$4.54 billion for the previous two years. The revised budget is "more realistic" because it's more closely matched to actual income and expenditure, said Ian Smith, an adviser to WHO Director-General Margaret Chan. Budgets for the last four years were too ambitious, he said.

"The funds just didn't come," Smith said in an interview. "It doesn't mean we're going to spend 13 percent less. We never had that money in the first place."

WHO Financing

The WHO receives funding from two main sources: fees paid by its 194 member states, which it's free to allocate, and voluntary contributions from governments, companies and foundations. These usually come earmarked for specific projects or disease areas, Cassels said.

While the WHO's income has almost doubled in the past decade, almost all of the growth has come from voluntary contributions, which now account for about 75 percent of revenue, compared with 58 percent in 2001.

"Because of that, there are parts of our overall global program that are well financed, and parts that are much less financed," Cassels said. "Vaccines and famine relief."

That leads to imbalances in the organization's ability to address global health problems. Illnesses that can't be spread from person to person, such as cancer, diabetes and heart disease, account for 65 percent of all deaths worldwide, while only 6 percent of the WHO's proposed budget for 2012 is dedicated explicitly to fighting them. Forty-six percent of the budget is aimed at infectious diseases such as AIDS and malaria, which account for 15 percent of all deaths.

Budget Control

"It's a complete distortion of what's important in the world," Georgetown University's Gostin said. "There's no way that any organization can be effective when it controls only 20 percent of its budget."

Still, the financial crisis doesn't necessarily mean poor nations will suffer, according to David Stuckler, a public health researcher at Cambridge University. Health aid hasn't decreased during previous recessions, Stuckler and colleagues wrote in the Bulletin of the WHO last year.

Indeed, while Spain and Italy have reduced their development budgets, the U.K. and Germany, the second- and third-largest contributors globally, both increased their donations by 14 percent in 2011, according to the Institute for Health Metrics and Evaluation, which is funded by the Gates Foundation.

Some recipients are also faring better than others. As the WHO and Global Fund face tighter financing, funding for the Geneva-based GAVI Alliance, which buys vaccines for children in poor nations, rose an estimated 31 percent between 2010 and 2011, according to the institute's report.

Value for Money

In a review of the aid organizations it supports published in March, the U.K.'s Department for International Development rated GAVI as providing value for money, the highest of four ratings, because it delivers "tangible results." It rated the WHO "adequate," the second-lowest level.

At a GAVI fundraising conference in London last year, the U.K. committed \$1.3 billion to the organization out of a total of \$4.3 billion, helping it reach a target of \$3.7 billion.

At the Global Fund's most recent fundraiser, in October 2010, it garnered \$11.7 billion, less than the \$13 billion targeted to keep putting malaria treatment at current rates.

In Congo, the Global Fund's cancellation of its next round of grants is causing concern that the current crisis may be the exception.

"We're really pessimistic for the future," Doctors Without Borders' Dethier said. "Instead of closing the gap, the restrictions mean that the gap is getting bigger month and we're lagging behind more and more."

--With assistance from Maaïke Noordhuis, Eleni Chrepa in Athens, Joao Lima in Lisbon, Angeline Benoit in Madrid, Omar Valdimarsson in London, Lorenzo Totaro in Rome. Editors: Kristen Hallam, Dylan Griffiths

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Great story. Too often the medical crisis in DRC is overlooked. The Spine Africa Project ([www.spineafricaproject.org](#)) has taken matters into its own hands and self funded our project. NJ spine surgeon Dr. Richard Kaul in 2008 and provides spine surgery to those injured in the mines and agricultural industries in DRC. Sadly, the doctors in DRC are not trained to treat and the life expectancy of someone suffering a spine injury is less than 2 years. Dr. Kaul travels from NJ multiple times per year to DRC to perform life saving surgeries for those injured.