**mpa on p le's h th**

*effe is di*. Cop with uncertainty, loss of employment, economic d heav is stressful. W an expect a rise in mental illness. People may o wo , bu oking d drinking may also increase. So does the co tion od. is cr come ard on the heels of a significant rise in food is that 0-50 lion c lren suffered cognitive disabilities and or physical injur s a ult c e food risis alone. If the crisis leads to social unrest we have olence and y to list of direct effects. Many of the direct effects long nges behaviour n that have health consequences way into the future.

***we c exp hat h h care costs increase as incomes tend to fa*** . For many yme mean ss of th insurance cover for *anyone* who loses their job, it less oney the h . Inevitably, health care suffers, remembering that 0% care *still* chase rectly by individuals. Treatment is deferred, ough t all others. We know that remittances are often used to meet health - o for g-ter lnesses or even funeral expenses. Their decline m not n le s of ulatio health, but a loss of remittance income contributes ess.

***s in mes , peo urn to public sector services*** at the very time that ent r enue finan hem are under the greatest pressure. Unless extra fort o su n fu ng for blic services - without increasing barriers to access by mor qua and a ability will fall. Worse still, vulnerable groups he m gins socie he poor, migrants and others - risk being excluded from

all this ause i s happened before, and previous downturns were shorte erio than at we facing now. It is also clear that these three levels of e in rela and m ally reinforcing. We risk a real vicious cycl

## 2. What do [illegible] what is happening on the ground?

It is still diffi[illegible] the effects of this multidimensional crisis [illegible] any real accuracy. In [illegible] hy, and needs to be verified and collected [illegible] re systematica[illegible] igns are not good....

- In *low a*[illegible] *countries* the impact of the crisis is being felt through reduced [illegible] rs, falling commodity prices, tighter access to capital, less foreign [illegible] and falling remittances. Consequent unemployment too often co[illegible] ective safety net at all. Health insurance funds, where they exist, ar[illegible] icant falls in revenue. In the countries of E[illegible] ern Europe we are alrea[illegible] ward revisions of overall s[illegible] budgets. In [illegible] e, cuts to health b[illegible] dy been announced. In A[illegible] a we know that at least seven ministri[illegible] uding some of the poorest, have already [illegible] notified that the budg[illegible] be cut as the result of the crisis. Other countries anxiously await th[illegible] le.

- When lo[illegible] e devalued the cost of imports rises. *Essen*[illegible] *life saving medicin*[illegible] ither unavailable or unaffordable. Ministe[illegible] ell us of difficult[illegible] in purchasing medical equipment (such as x-ray film o[illegible] surgical[illegible] know that cost of medicines rose in previous crises - and we are alrea[illegible] ne effect again as prices r[illegible] not just in A[illegible] a but in Europe and Cen[illegible] 0%). Our office in Kinsh[illegible] reports an increase in drug costs of[illegible] ential impact extends beyond the individual and family [illegible] societie[illegible] ernments have made commitments to keep people living with AI[illegible] Careful monitoring to ensure that these commitments are not compro[illegible] itally important in the way that we assess the impact of the crisis. I[illegible] sing in some of the countries affected by drug-resistant TB. Failure [illegible] eat to public health has consequences well beyond national borders.

- We are concerned here with the achievement of the MDGs. But the impact of the crisis on health is *global*. Many *high-income countries* with ageing populations have been positioning themselves for anticipated increases in spending on health and pensions. Several are in the process of undertaking complex and politically challenging reforms. We must be concerned when we see evidence that [illegible] to set aside resources and create the fiscal space to address the future health needs of the elderly are being shelved as the crisis deepens. It would indeed be ironic if the spiralling costs of health in the global north became yet another reason for reducing aid spending in the south.

- In past recessions *aid has been cut* precisely at the time when it is needed most. Total aid for health, has sometimes bucked this trend, but it tends to be technical cooperation that is sustained while the real value of programmable aid to countries falls. Our colleagues in Africa have seen very limited evidence so far of [illegible]tions, but already three countries have been notified, each by more than one donor, that reductions are likely to come.

- In Europe, as in the US, the health sector is one part of the economy that [illegible] *shedding jobs*. In fact they are still being created, acting as something of a stabilizer. As yet there are no available data on migration of health personnel and whether this has been affected by the crisis. Clearly, though, it is yet another area where we must be thinking how best to monitor impact - if only to be sure that intra- or international migration does not further destabilise already weak health systems in low-income countries.

In the midst of all the bad news it is important to also *highlight some positive signs*. Several countries have signalled their intention to *increase* public funding for health and increase coverage for vulnerable groups. Some developing countries are in a [illegible] fiscal position than in previous crises and have the capacity to engage in deficit spending for safety nets. Many donors have committed to maintain levels of aid (although overall progress towards Gleneagles targets is already lagging well behind what was promised).

It is also important to stress that the impact will vary. Just to take one example from the recent Regional ECOSOC Preparatory Meeting in Colombo: Indonesia has experienced a large devaluation of the Rupiah against the US Dollar, making medicines much more expensive. Sri Lanka's rupee, on the other hand, has appreciated significantly against the Indian Rupee, making medicines imported from India much more affordable. If [illegible] factor in the *decreased* costs faced by oil importers, the importance of carefully assessing impact country-by-country becomes very evident.

And not every problem can now be attributed to the current financial crisis. The [illegible] report we heard about stock outs of ARVs was due to faulty planning and not lack of cash. And, of course, many countries have been facing a financial crisis in health care for years. Running health systems on $20 per capita is massively difficult. For too many countries, the current situation is just making a chronically bad situation even more challenging.

**3. What needs to be done to sustain progress?**

I would like to highlight five areas for action.

a) **Monitoring and analysis** is vital. We have to know what is going on. As [illegible]ly mentioned, impact and policy responses will vary country by country. There is also no point in just recording the damage, waiting for changes in health outcomes. If we are concerned about vulnerability we need to look upstream – which countries and which people are going to be most badly affected? We need agreement on best indicators that will alert us to factors that put people's [illegible] at risk. Most of our current monitoring is based on routine reports. What we [illegible] now is real-time intelligence now to identify [illegible] problem areas and systems monitoring as the crisis unfolds. This too will require investment and changes in the way we work.

b) **Protecting life and livelihoods is [illegible] priority.** An economic crisis is not the time to reduce social protection. [illegible] package of social transfers, combined with actions to guarantee that the poor [illegible] vulnerable h[illegible] access to needed social services is critical to mitigating [illegible] fall-out of the [illegible]. People are the ultimate target of economic recovery. [illegible] concern is people's health, but health is dependent on many factors: employment, shelter, nutrition [illegible] education. Public spending as economic stimulus can [illegible] health directly through subsidies to health insurance or building clinics. [illegible] well planned programme will have multiple benefits: rural roads increase [illegible] to markets, [illegible]st farmers' income, and help reduce maternal mortality [illegible] access to se[illegible].

c) **Smart spending and social [illegible]** [illegible]cy at a national level really matters. Some countries have pledged to m[illegible] [illegible] even increase health spending. Others have taken steps to widen benefits [illegible] to vulnerable groups. Experience from past crises has shown that countries that have taken advantage of economic downturns to introduce needed reforms have emerged with stronger, more inclusive health systems. There are [illegible] possibilities [illegible] introducing generic prescribing, reforming the way health providers are paid, moving toward more universal coverage of benefits. Inevitably, contraction of budgets will mean rationing of services. This is however [illegible] particularly [illegible] it comes to preserving funds for prevention in the face of [illegible] for treatment, ensuring that there are resources for activities and [illegible] and not just [illegible]s but the means to deliver them. Without dialogue and consultation, these [illegible]ions are even harder and less likely to stick.

d) **Aid for health is vital if we are [illegible] in progress.** [illegible]le aid can be made more effective, the quantity of aid [illegible] be reduced [illegible] waiting for its quality of use to increase. [illegible] countries [illegible] the reserves needed to spend their way out of this crisis. [illegible] sources of money [illegible] needed – innovative financing for development [illegible] the focus of th[illegible]. However, while the search for new sources and new [illegible] to be welcomed, new monies should not

be used as a reason for reducing traditiona [illegible] t.. In additi [illegible] n, the chann [illegible]
through which they are provided are critic [illegible] imes of cri [illegible] is predictabi [illegible]
term commitment and flexibility allow mi [illegible] to budget [illegible] ffectively.

e) **Finally, leadership**: a global crisis require [illegible] al solidari [illegible]. Maintaini [illegible]
of health and other social expenditure is cr [illegible] o protecti [illegible] g lives and jo [illegible]
necessary to boost productivity. In other v [illegible] it is an inte [illegible] ral part of a [illegible]
solution, not an add-on or an optional extr [illegible] e thought [illegible] out when th [illegible]
problems are solved. The financial crisis l [illegible] own the do [illegible] nside of glo [illegible]
dependence and the problems inherent in s [illegible] s driven p [illegible] rely by finan [illegible]
The need now is to show the opposite – th [illegible] fits of glo [illegible] l co-operati [illegible]
ECOSOC can play a critical role. People a [illegible] ir lives are [illegible] at the centre [illegible]
concerns. You have focused on health at a [illegible] important [illegible] time. As we [illegible]
emerge after this crisis to a world with sys [illegible] hat are stro [illegible] ger, more e [illegible]
and more equitable than those that are nov [illegible] r such seri [illegible] us threat, yo [illegible]
show that health can play a leading role in [illegible] g this hap [illegible] en.

Thank you.