

# Overview of AIDS and Economics: Funding, Costing and Quality

Steven Forsythe

[Sforsythe@Futuresinstitute.org](mailto:Sforsythe@Futuresinstitute.org)

16 July, 2010

# UNGASS Resource Needs Estimates

- Government and civil society representatives meet for a Special Session of the General Assembly of the United Nations (UNGASS) 25 to 27 June 2001 to consider an expanded response to HIV/AIDS. This policy forum estimates that by 2005, that response will require about US\$9 billion annually, with half of these resources needed in sub-Saharan Africa.
  - Science, June 21, 2001.



# Barcelona AIDS Conference (2002)



**CHEAP AIDS  
DRUGS  
FOR ALL!**

**WHERE  
IS THE  
\$10  
BILLION**



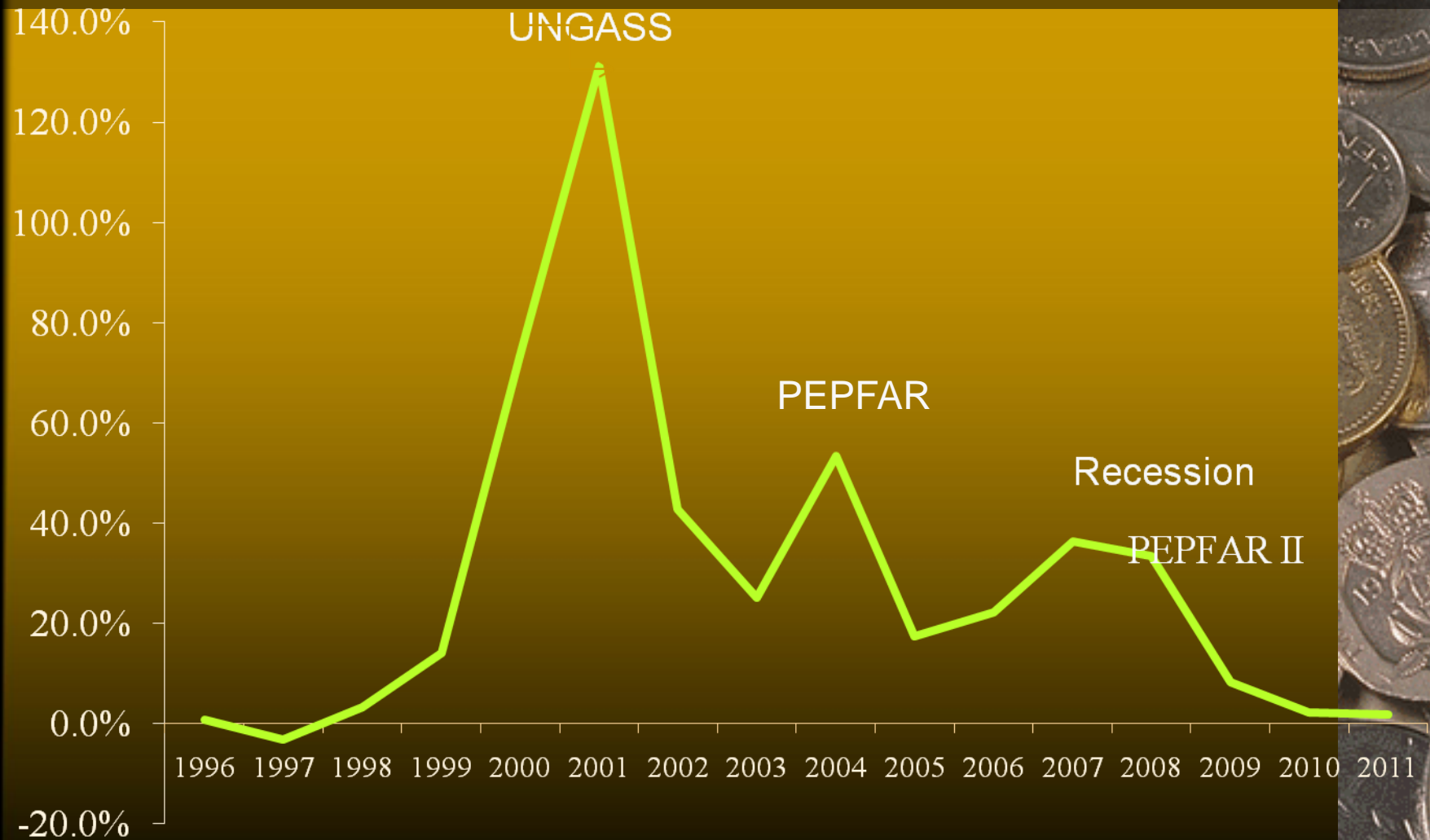
# Global Spending on HIV/AIDS



Sources: UNAIDS, various.



# Annual Growth in US International AIDS Funding



# No New Resources

- *No big influxes of new money are coming to fight the AIDS pandemic, but some smarter targeting and using approaches that have been shown to work can still save lives*
  - Bill Gates, July 13, 2010



# FY2010 Priorities

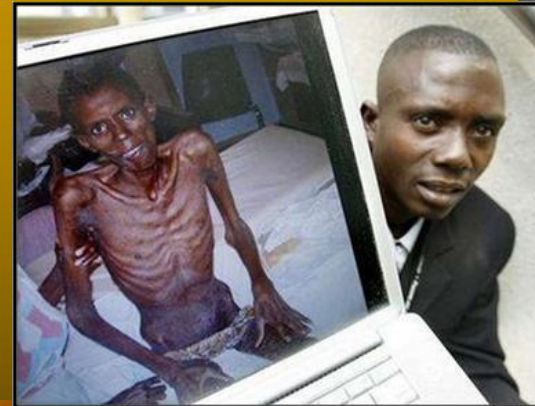
## Cash for Clunkers

US\$3 billion (\$24,000/car)



## Additional Funds for PEPFAR

US\$366 million



# Do Economists Know What AIDS Programs Should Cost?





# What Does a Condom Cost?



# Female Condoms



# What Does it Cost to Prevent Needle Sharing?



# What Does it Cost to Mobilize a Community?



# Cost of Reaching Youth In-School?



# What Does It Cost to Reach an Orphan?



# What is the Cost of Political Will?



# What is the Package of Services We Should Cost?





# Condoms



# Windhoek General Hospital

Cost of Male Circumcision: US\$50



# Roman Catholic Hospital - Windhoek

Cost of Male Circumcision: US\$1,000



# Minimum Package of Services

## Public Health

- Foreskin fully removed

## Consumer

- Sensitivity
- Privacy
- Information
- Pain-free



# VCT: \$8 or \$800?



# Minimum Package of Services or Should We Shoot for More?



# Cost of Reaching an Orphan in Ethiopia: US\$60/yr



# Cost of Reaching an Orphan in Botswana: US\$1,800/yr





# What is the “Right” Package of Services to Cost?

Economic  
Strengthening

Psychosocial  
Support

Food



Legal  
Support

Shelter

Health Care

Education



# Minimum Package of Orphan Services

## Public Health

- Child Reached with at least 3 services

## Consumer

- Orphan reached with enough services to make him/her happy



# Conclusion

- The age of easy money is over
- The role of economists is even more critical
- Costing is essential as a first step towards better resource allocation



# Conclusion (2)

- We need to define carefully what is the right package of services
  - Public health point of view
  - Consumers point of view
- Should there be only package of services, or many?

