

COMMISSION ON MACROECONOMICS AND HEALTH

Commission Meeting No. 1, 16-18 January 2000

Geneva, Switzerland

Summary

The Commission on Macroeconomics and Health (CMH) met for the first time 16 to 18 January 2000. WHO Director-General Brundtland opened the meeting and participated in the first day's discussion. Professor Jeffrey Sachs chaired.

The CMH meeting covered the following topics:

1. Discussion and revision of the draft terms-of-reference for the CMH that was prepared by the WHO secretariat.
2. Report of already-ongoing work on the links from health to economic growth and poverty reduction.
3. Technical options for controlling major diseases of the poor.
4. Report of already-ongoing work on the economics of incentives for new product development.
5. Next Steps.

This brief summary goes through those topics in order.

1. *Terms-of-reference*. This discussion, on both the first and second days, provided a useful platform for discussing where the CMH should be going. It resulted in numerous minor changes and in starting points for more detailed terms-of-reference for Working Groups. One significant change resulted which involved providing more emphasis on cost and choice of intervention (for the poor). A separate Working Group to deal with this will be established with the clear sense from a number of

participants that the relative attractiveness of potentially significant interventions from outside the health sector should be assessed.

2. *The effects of disease on economic outcomes.* WHO's Economics Advisory Service, which is serving as the WHO liaison to the CMH, recently initiated a program of work to address some of these linkages using both microeconomic and macroeconomic sources. This effort will now come under the auspices of the CMH. Professors David Bloom and David Canning provided a status report. The links from disease to adverse economic outcomes appear much more sharply in the economics literature today than even 7 or 8 years ago. (Indeed, this was one major motivation for establishing the CMH.) Work to date from Bloom and Canning (for what will be Working Group 1) confirms and extends earlier work.
3. *Disease control possibilities.* Central to the CMH's deliberations will be the technical context. To what extent do today's technologies offer effective, cost-effective and implementable options for substantially reducing the excess disease burden of the poor? However important better health may be for economic success there would be little policy relevance unless affordable control is possible. Several senior WHO staff summarized what is now possible for malaria, major childhood illness, immunization and to a lesser extent other conditions. The message conveyed was simple: The tools exist. Better tools could be an immense help, but tools exist today. The CMH will assess this premise thoroughly through the newly proposed working group on cost and choice of intervention.
4. *New product development.* A preliminary meeting of a working group on this topic met at the same time as did the CMH. Dr. Tore Godal chaired and, with others, reported back to the CMH on progress. Initial work was reported on design of pre-commitment-to-purchase as a mechanism for improving private sector incentives for R&D relevant to the needs of the poor. In particular pre-commitment for purchase of HIV, malaria and TB vaccines was discussed. It was agreed that further development of these possibilities is timely given the possibility of political action. It was also

agreed that pre-commitment mechanisms need to be explored in the context of other “pull” mechanisms as well as “push” mechanisms. The WG should provide the CMH with a sense of pros and cons of the major options and mixes of options.

5. *Next steps-meetings* . The 2nd and 3rd CMH meetings will be held this year (14-17 April 2000, New Delhi, India and November 2000,venue pending respectively). Isher Judge Ahluwalia will host the 2nd meeting in Delhi. By that time much progress should have been made on Working Group agendas to allow informed reactions and a sense of direction to emerge from the CMH. The 4th and 5th meetings will be held spring and summer of 2001 with the final meeting December 2001.

Planning meetings for other Working Groups will be held over the next 4 or 5 months, the groups themselves established and financed, and lead authors identified.

6. *Next steps-products*. The schedule for interim products:

WG 1 (Economics of investing in health)	May 2000
WG2 (Incentives for research and development)	December 2000
WG3 (Mobilization of domestic resources for health))
WG4 (Health and international Economy)) spring of 2001
WG5 (Improving health outcomes of the poor))
WG6 (Development assistance and health))

Draft reports of all working groups scheduled for summer 2001 and the initial draft report of CMH planned for September 2001.