
Economic Evaluation Roundtable

Robert Greener

Economics Advisor

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Joint United Nations Programme on HIV/AIDS
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What is Economic Evaluation?

- Are our interventions effective?
- What do our interventions cost, and how are they constrained?
- What is the economic impact of our interventions, and how does this help us make the tough choices we need to make?

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“We know what works”

- How do we know?
 - *Only through empirical evaluation*
- Any call for public money must be supported by evidence!
 - *It is evaluation that supplies that evidence*

What should we know about effectiveness?

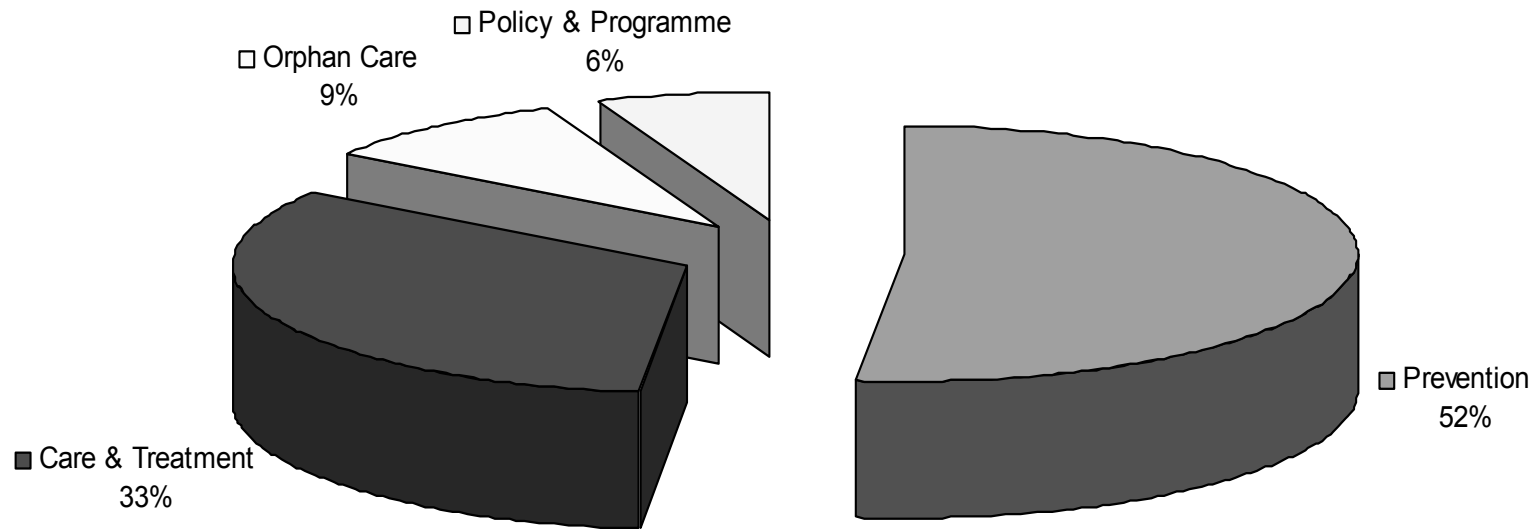
- What treatment combinations are most effective?
- What proportion of people on ARV fail and how long does it take?
- What is the average extension to life and what affects it?
- What parallel interventions are necessary to enhance effectiveness?



What do our interventions cost, and how are they constrained?

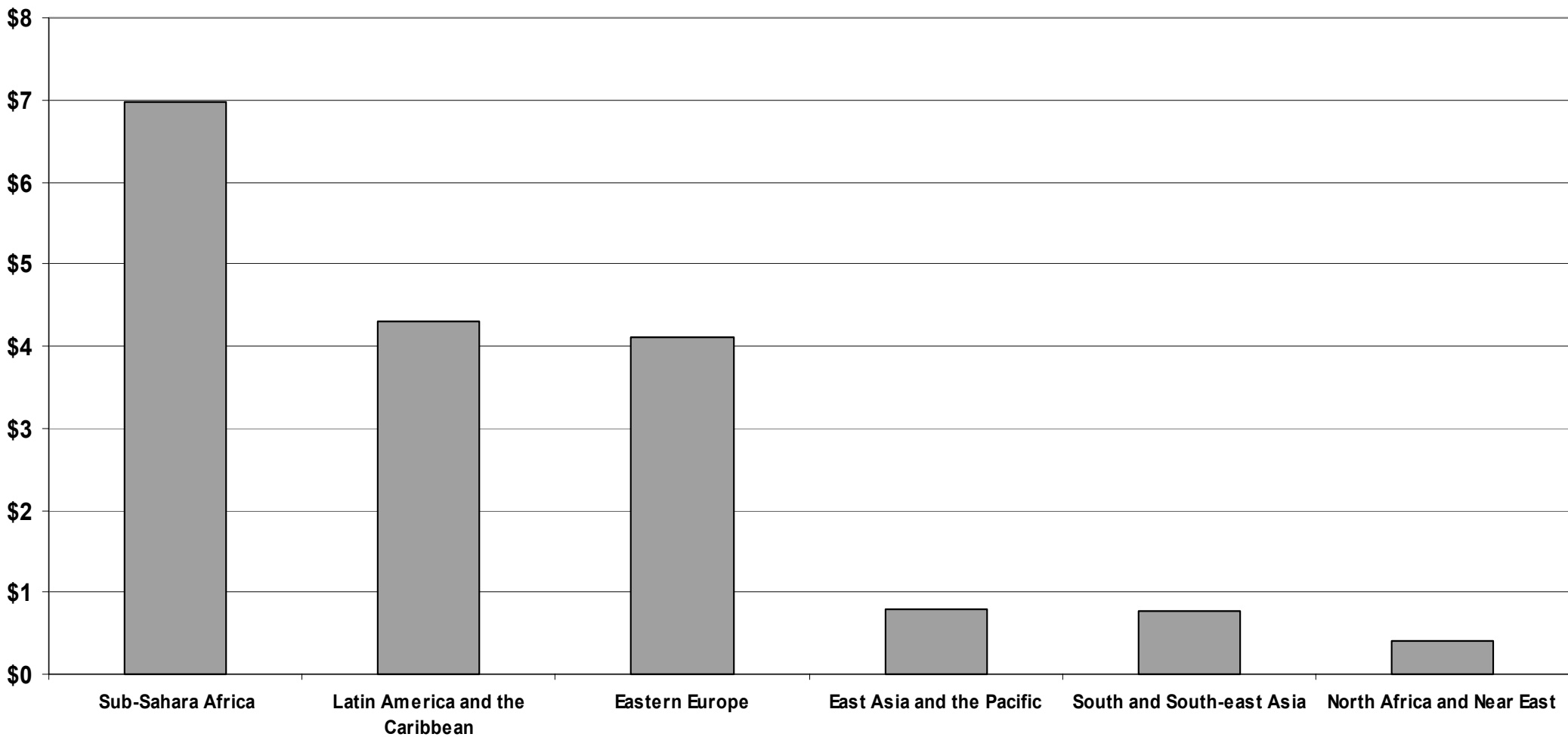
- UNAIDS has prepared new estimates of the minimal resource needs for a comprehensive response to the epidemic, 2003-7
 - *28 interventions: 19 prevention, 6 care & treatment, orphan care, plus policy and programme costs*
 - *Are there more?*

Resource Need Breakdown 2005



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Per-capita Resource Needs in 2005



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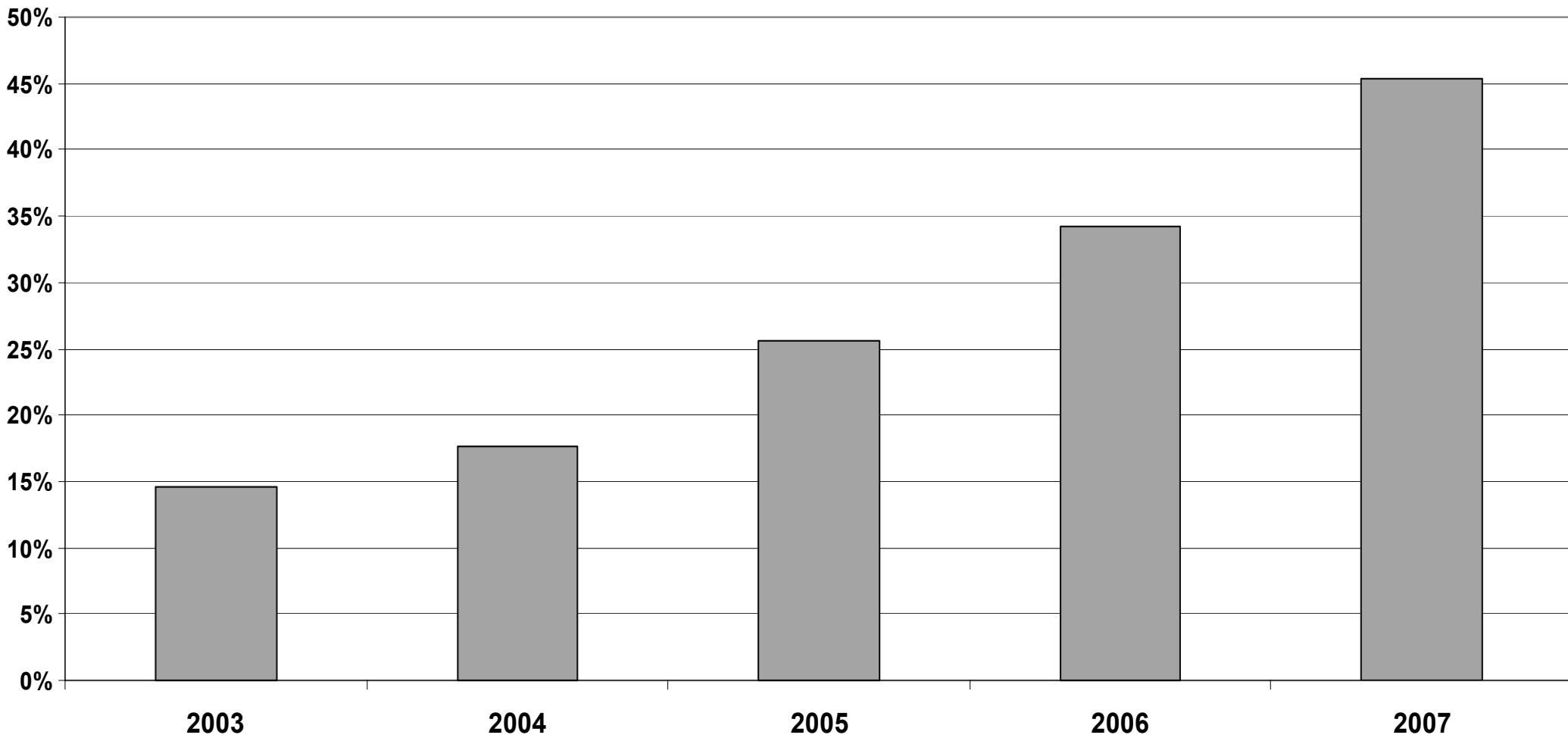


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Resource Needs in SSA as % of Health Expenditure (2001)



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How do we project costs into the future?

- Estimate sizes of populations to be covered
 - *We need the current population sizes*
- Estimate current and future coverage rates
 - *What can really be achieved – what are the current coverage rates?*
- Estimate cost functions (or unit costs)
 - *Are there economies (or diseconomies) of scale?*
 - *Are there economies (or diseconomies) of scope?*

What limits programming capacity?

- Health service delivery capacity
- Policy and managerial capacity
- Poor physical infrastructure
- Poor coordination between donors and governments
- Stigma and discrimination – a demand constraint

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What is the economic impact of our interventions ?

- Our current knowledge about the impact of interventions is weak
 - *How can we project the future of the epidemic, or the future resource needs?*
- The economic tool of cost-benefit analysis, i.e. comparing the cost of intervening with the cost of not intervening is very difficult to apply to AIDS

Analysing costs and benefits

- We have no agreed definition for the economic costs of the epidemic (i.e. of not intervening), still less any consensus as to its level
- Economics is best at describing short and medium term events - but the impacts of AIDS are long term
- Cost-benefit analysis is not the primary reason for evaluating the impact of interventions, but...

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We must make difficult choices

- Limited resources mean that we must make tough choices about their allocation, for example:
 - *Balancing prevention and care*
 - *Vertical, isolated and rising funds for treatment may mean falling resources for other health and development priorities*

Equity – more difficult choices

- How long before we can treat everyone who needs it?
 - “3 by 5” is only a 50% target
- Who is able to access treatment, and who is not?
 - *How is this affected by price?*
 - *What else constrains access?*
 - *If there are insufficient resources, who should get treated?*
 - *Who should pay?*