



Panel of Experts
Innovations in Avian Influenza Preparedness
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Pandemic Influenza: Economic Consequences and Funding Challenges

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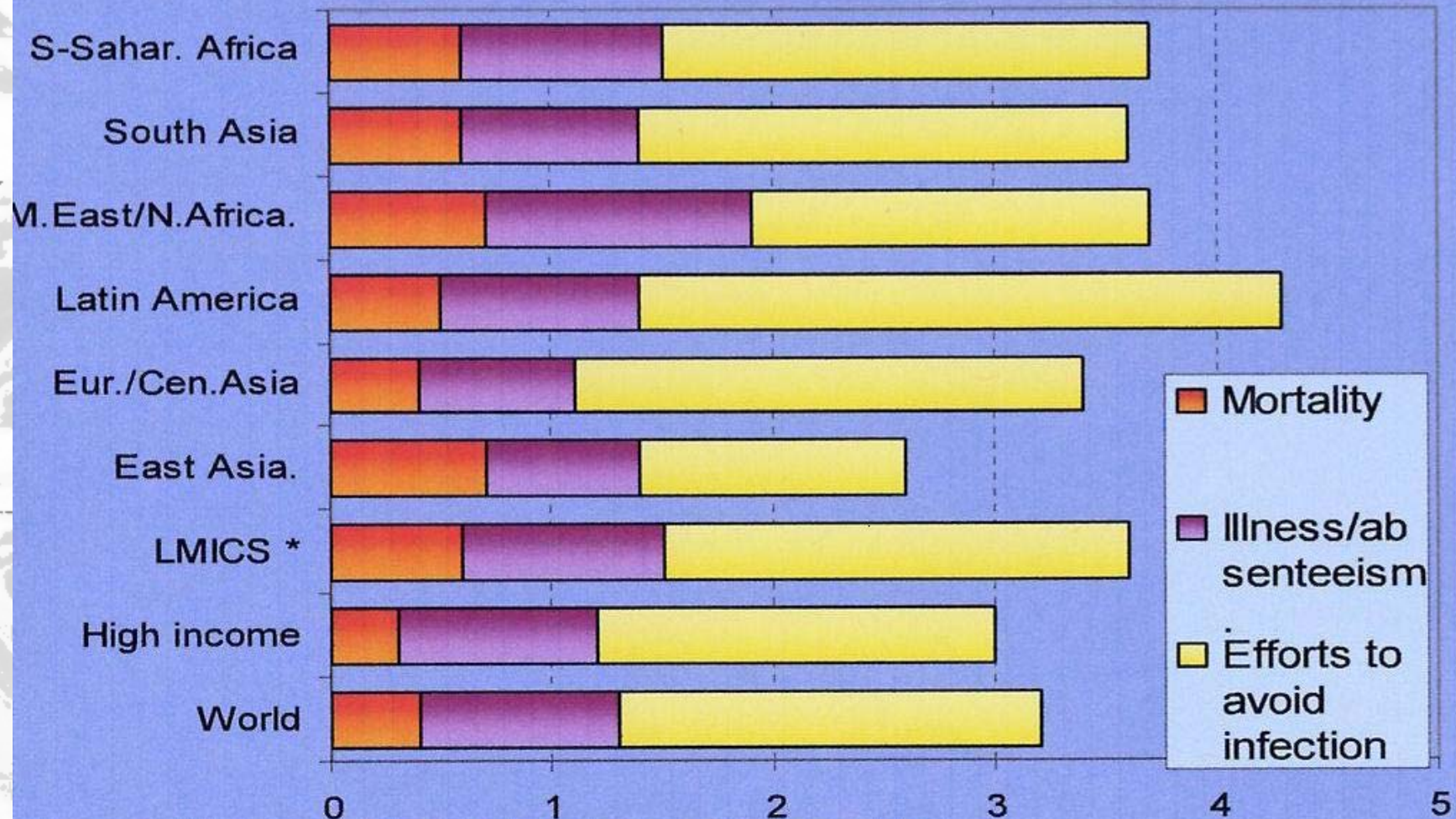


***We know very little about costing
and we do not have consistent
exercises about budgeting and
funding***

Costs of a global pandemic

- Not easy to calculate
 - Local risks and related needs are unknown and unpredictable.
- Preliminary global estimations
 - In a severe scenario, World Bank estimates losses up to US\$ 1,35 trillions (3,1% of the global GDP).
 - Annual Costs – US\$ 800 billions per year (WB)
- Latin America and the Caribbean estimations
 - Costs could vary from 0.71% of GDP(mild scenario) to 5.00 (severe scenario) of the GDP

ECONOMIC IMPACT OF A HUMAN INFLUENZA PANDEMIC IN A SEVERE SCENARIO (AS % OF GDP BY REGION)

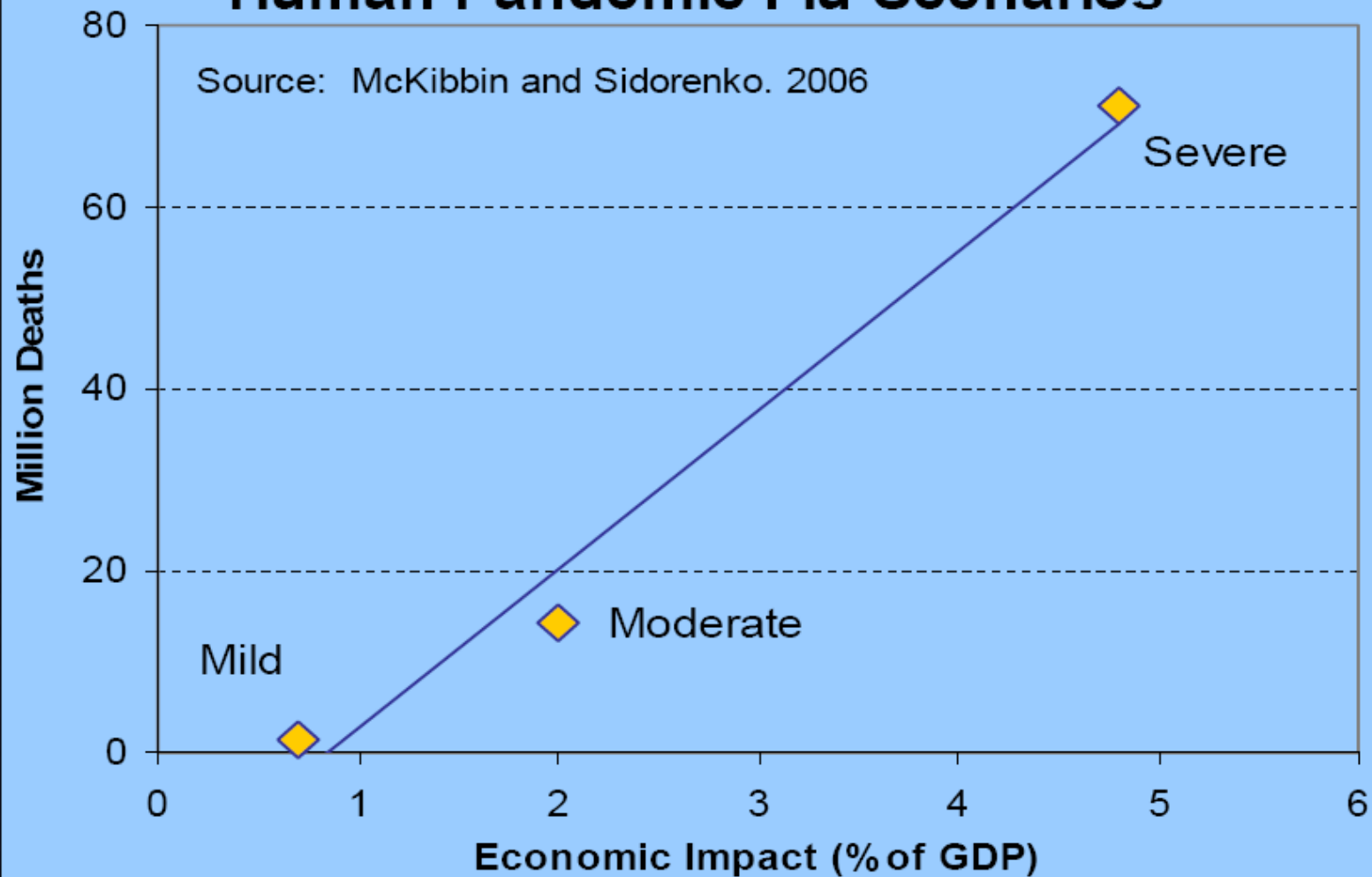


Source: World Bank Global Development Finance 2006.

* LMICS = Low & Middle Income Countries

Economic Impacts Under Three Human Pandemic Flu Scenarios

Source: McKibbin and Sidorenko. 2006



Estimated Costs for Human Impact in US (2006 Martin Meltzer Study)

- Averages of gross cost per item at 15% of clinical illness among population (US\$ billions of 1995)
 - Hospitalization – 1,9
 - Outpatients – 5,7
 - Illness no treated – 4,4
 - Deaths – 59,3
- Total Estimated Human Cost: US\$ 71,3 bi

Costs and benefits for AI preparedness in the avian sector

- **Expected costs (in the following two years)**
 - Coordination among health and agriculture authorities at central and local level and between public sector and private producers;
 - Social communication
 - Improvement of surveillance systems and early prevention;
 - Control measures (vaccines, culling and compensation);
- **Expected benefits (per year)**
 - Avoided losses in the avian production and sales;
 - Avoid losses in markets due consumers behavior
 - Improved animal health surveillance systems.

Costs and Benefits of Investing in AI Preparedness in the Avian Sector in LAC

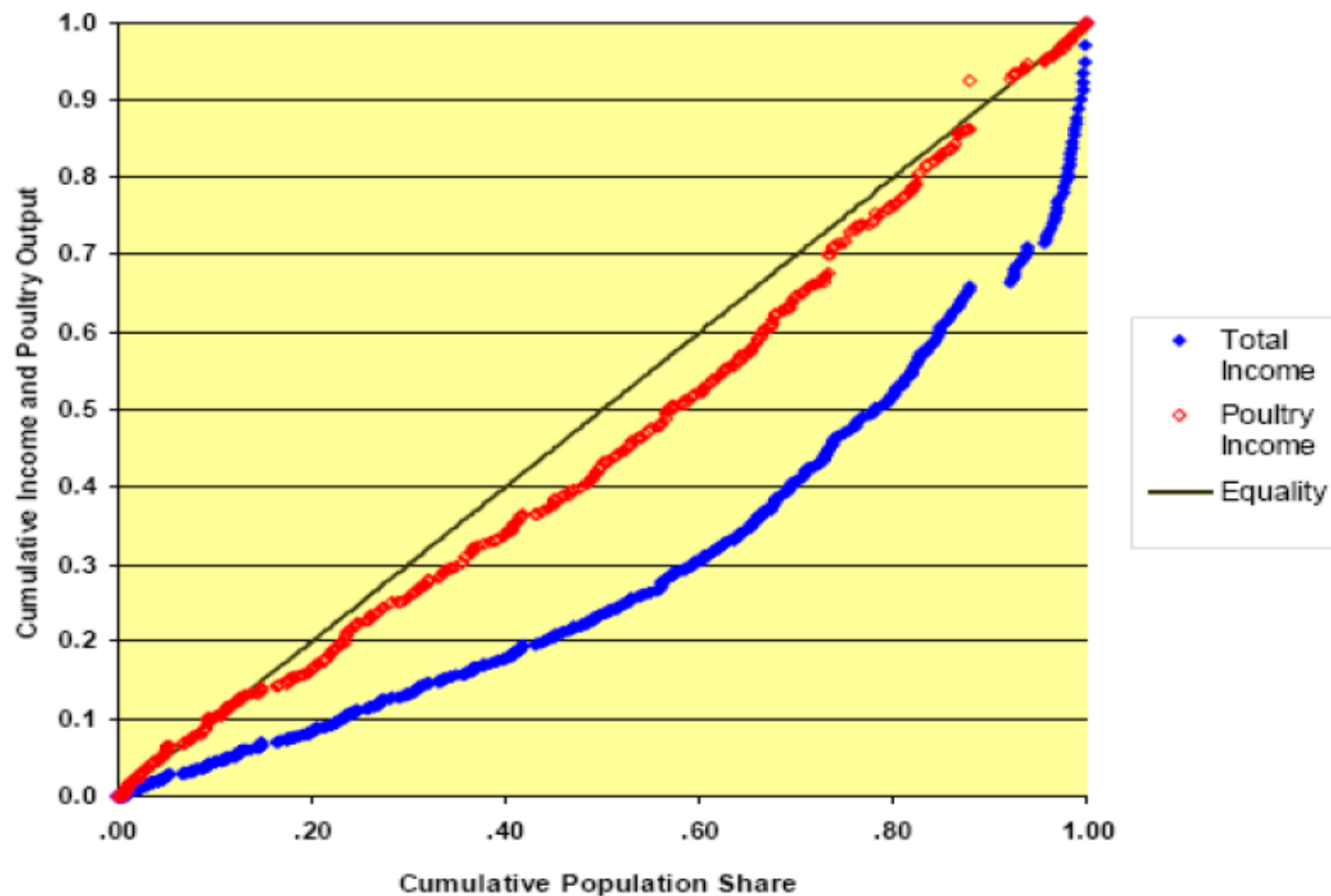
Costo y Beneficio de inversión en sistemas de salud animal
(prevención, vigilancia y preparación; US \$ mill.)

	Costos (Inversiones)	Pérdidas esperadas sin inversión	Pérdidas esperadas con inversión	Beneficio	B/C
Brasil	54	882	253	629	11.75
Cono Sur	16	83	38	45	2.82
Argentina	7	62	28	34	5.12
Pacto Andino	95	343	88	255	2.7
Colombia	18	104	10	94	5.35
América Central	19	74	18	55	2.9
El Salvador	2	18	5	13	6.98
Caribe	18	51	14	37	2.11
TOTAL	247	1632	525	1108	4.5

Source: IDB

Poultry distribution is more equitable than income distribution

Figure 1: Income Distribution in Viet Nam



Budget categories to prepare for a HPAI pandemic

- Effective surveillance systems
- In-country production capacity for development of antiviral agents and vaccines
- Regional planning for catastrophic health crises (including health systems preparedness)
 - Local leadership
 - Surveillance;
 - Effective communication systems;
 - Expand surge capacity;
 - Plans to maintain essential services;
 - Guidelines for care
- Social communication to population and civil society; private sector (poultry producers); regional government; media;
 - Inter-agency coordination (central and local level) and tool-kits
 - Knowledge management and information sharing (web-based; regional networking; common calendar of activities)
 - Strengthening national preparedness plans

Benefits on the preparedness for HPAI pandemic

- Avoiding labor force decay by absenteeism;
- Avoiding impoverishment risks associated with domestic production losses and changes in customer preferences;
- Avoiding increases on business transactional costs (keeping business continuity);
- Avoiding activity declines in tourism, travel and transportation, commerce and other economic sectors;
- Avoiding decreases in external investment rates;
- Avoiding increases in health costs and health expenditures by attending emergencies and HPAI cases;
- Strengthening of surveillance and health systems in order to reduce risks for future pandemic threats.

Global Funding for Avian Influenza

- Multi-donor financing framework - MDFF
 - Expected (US\$ 1,9 billions)
 - Committed by the end of 2006 (US\$ 1,1 billions)
- World Bank Avian and Human Influenza Facility (AIH) – US\$ 500 millions (part of MDFF)
- World Bank Small Grants to fast support for National preparedness plans (up to US\$ 100,0 k)
 - Distribution:
 - 6% to reduce human exposure;
 - 22% to strengthen early warning systems;
 - 26% for rapid containment of spread;
 - 28% for capacity building;
 - 17% for research, including accelerated vaccine development.

Overview of AHI Commitments as of April 30, 2006

Donors/Financiers:	Recipients:		International	Regional	Other	Total
	Countries	AHI Facility	Organisations	Organisations		
(\$ million)						
Bilateral donors	141	17	201	147	272	779
European Commission	36	57	0	0	85	178
Multilateral Development Banks	153	0	20	0	19	193
Total	330	74	221	148	377	1,150
Share	29%	6%	19%	13%	33%	100%

Programmed distribution of the fund

- Available resources: US\$ 1,4 billions
 - US\$ 566 millions - endemic countries
 - US\$ 150 millions - recent infected countries
 - US\$ 461 millions – high risk countries
 - US\$ 25 millions – low and moderate risk countries
 - US\$ 240 – contingency
- LAC is considered low and moderate risk and there is US\$ 9,2 millions programmed to the Region.

Questions

- What are the institutional funding needs for the Regional partners (IICA, OIRSA, FAO-OIE, UNICEF, PAHO)?
- What are the specific funding needs for communication components (central level and country level)?
- What are the available resources for communication components?
- How each institution is planning to fill the gap?
- What are the sources available in the Region and how to reach them?
- How the multilateral Banks or other donors could help?