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HIV/AIDS financing and health policy in South Africa

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Although HIV/AIDS is a big public health and even a development issue in South Africa, many other affections contribute to the disease burden. In term of financing, HIV/AIDS also receives an important share. Since its creation in 2002, the Global Fund to fight AIDS, Tuberculosis and Malaria has funded many projects in developing countries. In South Africa, it has disbursed more than 128 million dollars, mostly for the fight against HIV/AIDS. Fundings from alternative sources added to this amount to make up a substantive sum, which can make a significant contribution to the fight against the epidemic in this country where 5 700 000 people were estimated to be living with HIV/AIDS at the end of 2007. The purpose of this paper is to examine the adequacy of HIV/AIDS financing with national health policy and whether the resources allocated to the fight against HIV/AIDS are efficiently used.

First, we intend to assess how HIV/AIDS financing fits into overall health financing in South Africa; we then present health system, health financing and HIV/AIDS different sources of financing in the country. While only primary health care is offered free, HIV/AIDS interventions, which are not all included in the primary health care package, also tend to be free of charge for patients. Even the relatively expensive antiretroviral therapy is offered free to those who receive it. Our second objective is to assess whether the resources allocated to the fight against HIV/AIDS are used efficiently. So we look at the evolution of health indicators, the possibility of a “crowding out” effect of other health issues by the financing of HIV/AIDS, and finally the absorption capacity in the country concerning HIV/AIDS financing.

Using data from the Health System Trust, Health Economics and AIDS research Division (HEARD) and South African provincial departments of health; we describe South African health system and its different sources of health financing. Then, we look at the sources of financing of the fight against HIV/AIDS, both domestic and external. Finally, we try to estimate the efficiency of HIV/AIDS financing. To this end,

we decompose the resource allocation within health sector and the burden of disease and mortality by causes. We also estimate the costs of treating HIV/AIDS in the country and we compare them with two important health issues, namely vaccination and oral rehydration. Last, we look at absorption capacity issues concerning HIV/AIDS financing.