



**The Global Economic Crisis
and HIV Prevention and Treatment Programmes:
Vulnerabilities and Impact**

Executive Summary

SENEGAL

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Senegal has for years been recognized among the small group of countries with an effective, multi-sectoral approach to HIV and AIDS. The prevalence rate among adults is about one percent. A poor country, 60 percent of the Senegalese population of 12.8 million live on less than two dollars per day, the poverty line used by the World Bank group. The country qualifies for low-interest loans and has received over a hundred project assistance loans and grants from the Bank over several decades.

On 18 Nov 09, an IMF mission to Senegal issued a brief assessment. "The global financial crisis and domestic shocks are affecting Senegal's economy. Growth is expected to slow to 1¼ percent in 2009 from an already depressed 2½ percent in 2008. Business activity has been weak, remittances have been under pressure, and tax revenues are lower than expected." Growth may be restored in 2010, but the economy was undercut late in 2009 by electricity shortages and urban flooding.

Two million or more Senegalese-born persons live abroad, especially in Europe. Senegal's economy is closely linked to and highly dependent on economic activity in Europe. In better times, immigrant remittances of over a billion dollars per year were important sources of foreign exchange and support for family members still in Senegal. Hard times continue in the Euro area. The unemployment rate is near 10 percent. GDP is tipped to fall by 3.8 percent in 2009 and grow by only 1 percent in 2010. These conditions impact negatively on African migrants to Europe; they will impede remittances even if Europe emerges from the recession.

For Senegal, imports exceeded exports and remittances enough to cause a current account deficit of 12.3 percent of GDP in 2008. Rebalancing in 2009 has required cuts in vital food imports as well as in public spending, but the trade deficit remains stubbornly high at an estimated 11.8 percent of GDP for 2009.

In sum, the crisis is far from over for this West African country. Its capacity to maintain social programs, including HIV and AIDS prevention, care and treatment, and simultaneously to reduce poverty, will likely continue to be constrained in 2010 and possibly beyond.

Implications for Public Health, HIV and AIDS Programs

Spending on health in Senegal falls far below the minimum essential level identified by the Commission on Macroeconomics and Health. Updated requirements for achieving the Millennium Development Goals by 2015 suggest that US\$54 must be allocated to basic health (net of amounts spent to benefit better-off persons with access to expensive curative, hospital-based services). Total health spending in Senegal in recent years was under 6 percent of GDP and US\$38 per capita (expressed at current exchange rate values not PPP) in 2006, the latest year available.

Because HIV prevalence and incidence are low, the country can, with ample donor support, finance its needed programs for HIV and AIDS. To do so, however, requires not only money, or so-called fiscal space, but also political will, referred to as policy space, to allocate resources for effective, high-priority services. Often these services must be directed to the needs of the most-at-risk populations – sex workers, intravenous drug users, and men who have sex with men. Recent events in Senegal, especially actions aimed at criminalizing

selected sexual activities, call into question the policy space open to Senegal's government in pursuit of the most effective prevention options.

Senegal struggles to find resources adequate to implement its policies. Overall, Senegal's government investment spending in 2009 will be only half the amount invested in 2008, and the health area will suffer along with others.

The main sources of support for HIV and AIDS programs are the Global Fund, the Senegalese Government, which uses an IDA credit provided by the World Bank 'soft loan' window, and USAID. The country spent US\$27 million in 2007 and US\$29 million in 2008 on HIV and AIDS services. Public spending in this area is tipped to decline overall in 2009 even though external aid contributors maintain their intention to avoid cutbacks. The USAID provisional budgets for 2009 and 2010 are both over US\$4.5 million. However, the World Bank MAP (Multi-sectoral African AIDS Program) will be coming to a close, implying an end to both that external source and the counterpart funds contributed by the Senegalese Ministry of Finance.

Persons interviewed for this report noted an end to recruitment of staff by the Ministry of Health in the area of HIV and AIDS health services. Staff resignations have also increased in this area. Private-sector providers have not stepped up to fill the gap in service provision. People living with HIV and interviewed for this report express concern about the lack of continuity of coverage and care for opportunistic infections, hospitalization, and biological assessment of their needs.

At risk are specific programs fostered and supported by external resources: Campaigns and programs to reduce stigma and discrimination, support to women organizations to reduce gender violence, access to human rights-promoting legal services, and advocacy and political mobilization that aims to support networks of peoples living with HIV. These programs, if effective, can help open the 'policy space' that Senegal's government needs to allocate scarce resources to the needs of key groups and at-risk populations.

Recommendations and next steps

Four actions, if adopted by the Senegalese government, can help further to assure against a negative impact of the 'great recession' on the HIV and AIDS epidemic in Senegal:

- Strengthen collaboration between civil society organizations and government partners;
- Increase direct support to persons living with HIV (PLHIV) and bar discrimination against them for employment and residence;
- Mobilize additional resources for upgrading the infrastructure (clinics and lab equipment) and human resources (health human resources and lab technical support) that facilitate prevention and attention to most-at-risk populations (key groups); and
- Reallocate funding to favor NGOs including training to create prevention projects for most-at-risk populations, as well as diversification of funding sources and management.

Beyond these recommendations, resource scarcity requires that all AIDS programs adopt these specific actions: (a) Identify and fund the most cost-effective prevention interventions; (b) strengthen the capacities of NGOs that operate prevention projects; and (c) develop a system to monitor and evaluate the effectiveness of all prevention, care, and treatment measures.