

U.S. FOREIGN AID SUPPORT OF GLOBAL HEALTH AND DEVELOPMENT = A STRONG RETURN ON INVESTMENT (ROI)

Health and development sectors are inter-related, some offering greater ROI in the short-term, others in the longer, more sustainable, term. The purpose here is to provide a range of examples of economically focused benefits in U.S. foreign aid health and development investment and in no way is meant to prioritize certain sectors to the exclusion of others.



ROI: Global Health

POLIO

- The \$9 billion invested by governments and donors to support the global polio eradication program since 1988 has resulted in a \$27 billion ROI in terms of avoided treatment costs and losses of productivity, and saved millions of children from paralysis.
<http://www.polioeradication.org/Portals/0/Document/Resources/StrategyWork/EconomicCase.pdf>
- Eradication of polio would save at least \$40-50 billion over the next 20 years.
<http://www.who.int/mediacentre/factsheets/fs114/en/>

MATERNAL/CHILD HEALTH

- **Increasing investment in women and children's health by \$5 per person per year until 2035 in 74 high-burden countries could yield:**
 - Up to 9 times that value in economic and social benefits
 - Greater GDP through improved productivity
 - Prevention of 147 million child deaths, 32 million stillbirths, and 5 million maternal deaths
<http://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2813%2962231-X/abstract>

HIV/AIDS

- Care for 3.5 million patients between 2011-2020, at a cost \$14.2 billion is expected to save 18.5 million life-years and return between \$12 and \$34 billion through increased labor productivity, averted orphan care, reduced medical treatment for opportunistic infections and end-of-life care. In addition to large health gains, economic benefit of treatment will offset, and likely exceed, program costs within 10 years.
<http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0025310>

MALARIA

- For every \$1 invested in malaria prevention and treatment programs, a \$40 return can be expected due to healthier, better educated and more productive working communities.
<http://www.forbes.com/sites/skollworldforum/2013/04/25/world-malaria-day-2013-we-cannot-afford-to-wait/>

NUTRITION

- **Nutritional interventions can bring to \$138 ROI for every \$1 invested, through better health and increased productivity. Typical interventions include zinc and Vitamin A supplements, iron fortification, salt iodization, and, to prevent loss of nutrients, deworming drugs.**
<http://thousanddays.org/wp-content/uploads/2012/05/1000-Days-June-2013-Investment-in-Growth-Policy-Brief.pdf>
- Iodine deficiency, which can be remedied by iodizing salts costing five cents per person per year, affects 1.8 billion people and is the single greatest preventable cause of mental retardation.
<http://www.copenhagenconsensus.com/sites/default/files/hungerandmalnutrition.pdf>
- **Inadequate nutrition caused shortfalls of 0.23% and 4.70 % in the annual growth rate of GDP per capita in 122 countries studied over three decades.**
http://www.unicef.org/socialpolicy/files/Investing_in_Children.pdf

NEGLECTED TROPICAL DISEASES (NTDS)

- USAID's \$386 million investment has leveraged \$6.7 billion in donated medicines to 25 countries since 2006.
<http://www.usaid.gov/sites/default/files/documents/1864/GHreportUpdatedOnePageView.pdf>
- The toll of the seven leading NTDs on health care costs and loss of productivity create an economic burden of billions of dollars. But prevention and treatment returns are high:
 - Hookworm:** Controlling hookworm in children can increase future earnings by 43%.
<https://www.govtrack.us/congress/bills/113/hr4847/text>
 - River blindness:** Control programs have protected over 150 million people from blindness in over 30 countries. An annual cost of \$0.58 per person produces an ROI of 20% over a span of 39 years.
<http://www.plosmedicine.org/article/info%3Adoi%2F10.1371%2Fjournal.pmed.1000255>
http://www.globalnetwork.org/sites/default/files/Social%20and%20Economic%20Impact%20Review%20on%20Neglected%20Tropical%20Diseases%20Hudson%20Institute%20and%20Sabin%20Institute%20November%202012_1.pdf

FAMILY PLANNING AND REPRODUCTIVE HEALTH

- USAID's funding for family planning and reproductive health programs in FY14 is \$610 million with the following estimated results:
 - 31 million women and couples received contraceptive services and supplies
 - 4 million unintended pregnancies and 3 million unplanned births were averted
 - 3 million induced abortions were averted (2 million of them unsafe)
 - 13,000 maternal deaths were averted
 - 60,000 fewer children lost their mothers
<http://www.guttmacher.org/media/inthenews/2014/06/13/index.html>



ROI: Global Development

WATER AND SANITATION

- Investments in clean water and adequate sanitation bring an ROI of \$4.30 per \$1 by reducing patient expenses from avoided illnesses, time savings due to improved water access, days of school attendance gained, and prevented deaths.

http://www.who.int/water_sanitation_health/publications/2012/globalcosts.pdf

AGRICULTURE AND FOOD SECURITY

- Enhanced crop and livestock productivity and reduction of yield losses can result in an ROI of \$16 for every \$1 invested. Investments reduce malnutrition, child stunting, and reliance on food aid in crisis times.

<http://www.copenhagenconsensus.com/sites/default/files/hungerandmalnutrition.pdf>

Honduras: A USAID program in Honduras that ensured higher corn and bean production for home consumption also more than doubled average per capita daily income of farming households by increasing cropland for high-value coffee and horticulture crops.

http://feedthefuture.gov/sites/default/files/ftf_progressreport_2014.pdf

BIODIVERSITY

- Current deforestation rates cause a loss of biodiversity benefits, such as food variety, medical discoveries, clean water, survival of ecosystems and species, that could equal as much as 7% of global GDP by 2050.

Vietnam: \$1 million invested in planting and protecting 12,000 hectares of mangroves saved \$7 million a year in dike maintenance.

http://www.unep.org/pdf/OP_sept/2010/EN/OP-2010-09-EN-FULLVERSION.pdf

BASIC EDUCATION

- Fifty eight million children worldwide are out of school—40% of them in countries in crisis and conflict; failure to educate girls to the same standard as boys in 65 less-developed countries costs those countries \$92 billion collectively every year.

<http://www.usaid.gov/news-information/press-releases/oct-20-2014-usaid-announces-new-efforts-fight-global-poverty-through-education>.
"Paying the Price: The Economic Cost of Failing to Educate Girls," Plan International, 2008.

- Increasing preschool enrollment in Sub-Saharan Africa from the present 18% to 59% would generate an estimated \$33 in increased wages for every \$1 invested.

http://www.copenhagenconsensus.com/sites/default/files/education_assessment_-_psacharopoulos_0.pdf