

**PRESS RELEASE**

**Basic services for all? Bridging the US \$80 billion gap in spending on social services; UNICEF report looks at the human cost**

*June 2000-* There is a shortfall of up to US \$80 billion per year between what is being spent and what should be spent to ensure universal access to basic social services such as primary health care, basic education and clean water, according to a UNICEF report, *Basic Services for All?*

The report draws on case studies from over 30 developing countries to highlight the human cost of this shortfall in terms of lives lost, children out of school, the millions of children under-nourished and the billions without safe water and sanitation.

*Basic Services for All?* describes the current facts and figures about public spending on basic services, with around \$206 billion to \$216 billion (in 1995 prices) needed each year to provide services essential to child survival and well-being, and only \$136 billion currently being spent. As a result, many of the world's poorest families have little or no access to proper health care, basic education or clean water. Easily preventable diseases account for the deaths of nearly nine million children in Sub-Saharan Africa and South Asia each year. Nearly one billion people in the world are illiterate and around 130 million children of school age are not in school.

One third of all children in developing countries are undernourished, rising to half of all the children in South Asia. Around 1.7 billion people lack safe water, and over half the world's people, 3.3 billion people, are without access to adequate sanitation. These human tragedies reflect wasted opportunities and the failure of many governments to deliver on their promises" says Santosh Mehrotra one of the authors of the report which was published by the UNICEF Innocenti Research Centre in Florence, Italy. Low income is not an explanation or excuse for poor health indicators. Vietnam and Haiti have similar income levels, but while Vietnam's under-five mortality rate is 43 deaths per 1,000 live births, it is more than 3 times higher in Haiti," says Mehrotra.

There is a general consensus that basic social services are the building blocks for human development – a consensus that was confirmed by a whole series of international meetings and treaties during the 1990s. Yet the gap between that consensus and the reality of public spending on these services is actually growing, despite all the pledges and commitments of the last decade. And today the shortfall is almost twice as high as it was in 1995 at the time of the World Summit for Social Development in Copenhagen, according to the report. There is little evidence emerging from the studies

that either public spending or ODA for basic services has risen recently, or is being spent equitably and efficiently.

The report urges developing country governments, donors and international financial institutions to provide greater and more targeted resources for basic social services. One option explored is the 20/20 Initiative whereby developing countries would commit 20 per cent of their budgets to basic social services, while donor countries would match that commitment by allocating 20 per cent of their official development assistance to such services.

We cannot go on tolerating such an intolerable situation," says the UNICEF report. "The scale of the unmet needs of the poor and the marginalized in developing countries may be enormous, but the resources required to meet these needs can be mobilized.

The report outlines a Ten Point Agenda for Action to bridge the US\$80 billion gap, including a call for an international agreement that no more than 20 per cent of the revenue of the Highly-Indebted Poor Countries (HIPCs) should be spent on debt servicing.

Universal access to basic social services is possible regardless of the level of per capita income. The historical experience of both industrialized and high-achieving countries demonstrates that the state must guarantee basic services for all.

Relying on economic growth to eventually trickle down to the social sectors is inimical to the 'first call for children'. Contrary to past practice, macro-economic stabilisation can be achieved while protecting the social sectors, especially at the basic level.

Most governments possess little reliable information on public spending on basic services, hampering policy decisions.

Additional resources can be mobilized by intra-sectoral reallocation within the social sectors, by inter-sectoral reallocations, and larger revenues.

The synergies emanating from an integrated package of basic social services, focused on the "whole child", can be tapped to increase efficiency and reduce costs.

The relevant ministries of donor governments need to achieve consistency between aid policies on the one hand and trade policies on the other.

There should be greater effort by donor countries, especially the largest donors, to increase ODA as well as its share to basic services.

There should be greater effort by donor countries to end the burden of debt on the HIPC countries to release resources for basic services.

#### NOTE TO EDITORS

Basic Services for All?summarizes a forthcoming book by the Centre's Senior Economist Santosh Mehrotra, (Senior Economist), Jan Vandemoortele (Chief Economist UNICEF Division of Evaluation, Policy and Planning) and Enrique Delamonica (Consulting Economist).