

STOP AIDS.
Keep the Promise.

Global Crisis and Germany's Contribution to the Global Response

Fourth Civil Society Appraisal on Germany's
Contribution to the Realization of the International
HIV/AIDS Commitments since 2001

Short Version:

*The detailed Report in English will become available
for download on our website: www.aids-kampagne.de*



edited by:

Action against AIDS Germany

Summary and Overview

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The alliance Action against AIDS Germany with more than one hundred member organisations and about 280 community-based groups advocates that Germany has to fulfil its obligation as an economically privileged industrialized country and thus to pay an adequate contribution for the control of the global HIV epidemic. For this reason, Action against AIDS Germany wants to motivate the public to apprehend the threat posed by HIV/AIDS without any prejudice and to realize the necessity to respond with solidarity and resolve. Public pressure is required so that officials and institutions which bear political responsibility take the correct decisions and initiate the necessary interventions. The involvement of the world public and the international civil society has ensured that the declarations adopted by the United Nations in 2001 and 2006 lay down central principles of action and concrete targets for these efforts. But only if civil society initiatives and social movements relentlessly stand up for these issues, there will be some prospect that these agreements will actually be implemented. Then, and only then, the international community will make progress in averting new infections, providing effective treatment for all those in need and overcoming the social causes and consequences of the epidemic.

Objectives and central issues

In the high income countries the goal is to motivate political and economic decision makers to render the required support to the underprivileged countries and vulnerable groups. These populations are urgently dependent on the solidarity of the better off in this world in order to obtain the required resources and the scope of action for the control of the devastating HIV epidemic as well as to overcome other pressing health and development problems. Generating and facilitating comprehensive and detailed information on the actual state of affairs constitutes a cornerstone for political advocacy.

The following questions have to be raised: What are the central tasks of the international community? What is the need for development assistance altogether and also for certain areas of funding such as for the control of the HIV crisis? To what extent do the efforts so far live up to

the challenges and obligations? Yet it is also necessary to analyse the question which decisions and actions will jeopardize the realization of the internationally agreed targets.

The present report wants to contribute to find answers to these questions. It focuses on the assessment of Germany's role within global efforts to tackle the HIV crisis. For this purpose an analysis was conducted of the fundamental documents and statements made by political officials on the central issues. In order to determine the financial contributions data from relevant information systems was compiled, reviewed, and evaluated applying a special methodology developed for this type of studies.

Structure of the report

Based on the main topics the report has been subdivided into two parts. Part A comments on the political actions taken by the government in relation to the global control of HIV. Part B assesses the mobilization of urgently required financial resources in the fight against the HIV epidemic. As an introduction and for better understanding of both analytical parts the report commences with a short description of the global panorama.

This is already the fourth assessment report from a civil society perspective since 2006 whereby the review conducted in 2010 in cooperation with the Swiss and Austrian HIV/AIDS networks exclusively analysed the mobilization of financial resources. The current publication takes a look at the entire time period designated to realize the targets that had been agreed in 2001 and 2006. This corresponds with the intention of the UN High Level Meeting to take place in June 2011, which is to review the progress that has been made until the end of the decade, the time limit fixed in the UN Declarations.

The following will give a compact description of the most important results and conclusions. The presentation in a condensed form may also serve as orientation when reading the complete report or selected parts of it in order to delve into the detailed remarks on the thematic aspects.

The report of the UN Secretary-General: Proposals for action fall short of what is needed

The report by the UN Secretary-General on the realization of both resolutions on HIV/AIDS summarizes the major progress as well as the deficits. It explains that previous efforts have led to important achievements, which, however, did by far not suffice to realize the agreed targets. Thus, it particularly urges to reinforce the efforts to overcome discrimination, to support the vulnerable key groups, to speed up the expansion of treatment programmes, to conduct comprehensive interventions for preventing mother-to-child transmission, and to improve the preventive education for young people. The report contains some important suggestions for tackling the HIV epidemic in the coming years, but serious deficiencies also have to be mentioned in this respect:

- ▶ The report does not contain concrete proposals on how to finance the urgent interventions. The proposition that middle income countries should expand their response without resorting to external financial support misses the political, economic and social reality and the document fails to mention the most important existing commitments and adequate contribution levels for development assistance.
- ▶ The report does not carry out a more detailed analysis of the structural living situations that increase the vulnerability to the epidemic and exacerbate its consequences.
- ▶ The UN report admittedly supports the full use of safeguards contained in the WTO Resolution in order to secure the access to medicines, but it ignores the necessity to review the globally enforced patent regulations and identify possibly required reforms.

The political involvement of Germany: Progress and shortcomings

The part of the report covering Germany's political involvement acknowledges the positive approaches that were de-

veloped during the period under review. However, it also specifies the serious points of criticism concerning the participation in the international response to the threat by HIV/AIDS. One of the main positive elements is that the fundamental documents are geared to promoting human rights and gender equality and that they also observe the relevant international agreements regarding this issue. Quite often the description of strategies becomes vague when dealing with the volume and the timeframe of the German contributions. The following are some of the problematic standpoints and decisions that became more frequent since the change of government in 2009:

- ▶ The guideline defined in the coalition agreement stating that development policy decisions "must take sufficient account of the interests of the German economy" tends to disregard the basic needs of the underprivileged majority of the world population. Additional statements and omissions such as giving preference to bilateral cooperation, ignoring the HIV problem, and diluting the obligation to increase development aid also reflect the tendency to give priority to perceived national interests.
- ▶ The appearance of Government representatives during the UN Summit on the MDGs in September 2010 was characterized by the attempt to sugar-coat the deficiencies regarding the own performance as a donor country, to avoid concrete commitments, to shift the responsibility onto other key players, and to promote unilateral economic models, so this has to be regarded as a wasted chance.
- ▶ Irrespective of the energetic and transparent course of action by the Global Fund regarding misuse of its funds by some recipient institutions, the current administration of the BMZ showed a lack of responsibility suspending the payment of pledged contributions and making pretentious gestures instead of proving to be a reliable partner for this indispensable institution dedicated to global disease control.
- ▶ The decision to postpone the realization of the IATI standards (International Aid Transparency Initia-

tive) that are to guarantee more transparency in the area of development aid, does not only affect the opportunities for coordination and involvement, but also hampers the fight against corruption.

- ▶ The contributions towards health promotion and the control of the HIV epidemic that had been agreed in the context of G8 Summits, with the involvement of German representatives, all remain far below an adequate level.
- ▶ It must be assumed that the Federal Government backs the detrimental ambitions of the EU to enforce even stricter monopoly rights for original manufacturers of pharmaceutical products within the currently negotiated free trade agreements than those established in the WTO Agreement.
- ▶ In light of the global threats for human development and the public sector debt exacerbated by a misguided fiscal policy and the financial crisis, but also considering the necessity to develop a trade and finance system that is less unfair and susceptible to crisis, the Federal Government is expected to advocate even more consequently for the preferably global introduction of a financial transaction tax and other financing instruments aiming at both increasing tax income and reducing detrimental economic tendencies.

Financial Contributions remain below an adequate level

Part B initially develops a need-based and plausible financing scenario estimating the Official Development Assistance (ODA) required to reach the MDGs, to promote health, and finally to expand the specific interventions for the control of HIV during the period from 2010 to 2015. Even if the developing countries, including the poorest, achieve considerable increases of their own financial contributions, development cooperation has to cover a significant part of the financial requirements. In view of the devastating consequences of the HIV epidemic and the urgent solidarity with socially marginalized key populations it should be assumed that the share of international donors will initially be higher in this area and then will level off by 2015. The proposed financial contributions by the donor

countries are calculated on the basis of their economic capacity measured by the GNI and additionally considering Europe's specific responsibility for the global development partnership. It shows that the realization of the obligations made in the framework of the United Nations and the European Union to increase the ODA contributions would be completely sufficient to reach the planned contribution level. When calculated on the basis of the exchange rate of the first quarter 2011 Germany would have to raise a total of 17.9 billion Euros in 2015, whereof 3.6 billion Euros would be used for health promotion and again 1.5 billion Euros hereof would be allocated for the fight against HIV.

In view of the financial requirements for 2010 it has to be stated that the recently denoted ODA contributions by the economically more privileged countries have remained well below the necessary level. The financial gap regarding the health sector was much bigger than was observed for development aid altogether. Contrary to widespread prejudice the gap between urgent need and actual disbursements for the HIV response was disproportionately high.

In spite of the increases which in particular took place in the years 2006 to 2008 Germany's ODA contributions remained significantly below the average financial effort of donor countries. Due to the inexplicable disregard of the health sector in bilateral cooperation and as a consequence of the insufficient support to health-relevant UN Organizations a particularly high underfunding is observed in this area. Sadly, the financial contributions for the global response to the HIV crisis are stagnating on a very low level, which is attributable to low bilateral commitments in recent years and falling shares of HIV financing in relation to overall aid flows of important multilateral institutions.

The following deficits are to be mentioned in particular:

- ▶ According to preliminary OECD data the real ODA transfers amounted to approx. 8.5 billion Euros for 2010 which corresponds to 60% of the interim collective target of the EU or barely two-thirds of the EU minimum ratio.
- ▶ In the same year, the ODA disbursement for health promotion amounted to roughly 810 million Euros according to the projection based on a thorough analysis of the available data for the preceding

years. This does not add up to more than 27.5% of the target figure, which had been determined in our calculation of financing needs.

- ▶ Based on a similar data analysis and the given trends concerning financial commitments, the ODA disbursements for HIV interventions in 2010 can be estimated at 255 million Euros thus representing less than one-fifth of the adequate contribution.

Furthermore, there is an indication of highly problematic tendencies regarding the financial terms and the regional distribution of ODA contributions. In this respect two aspects need to be mentioned in particular that deserve criticism:

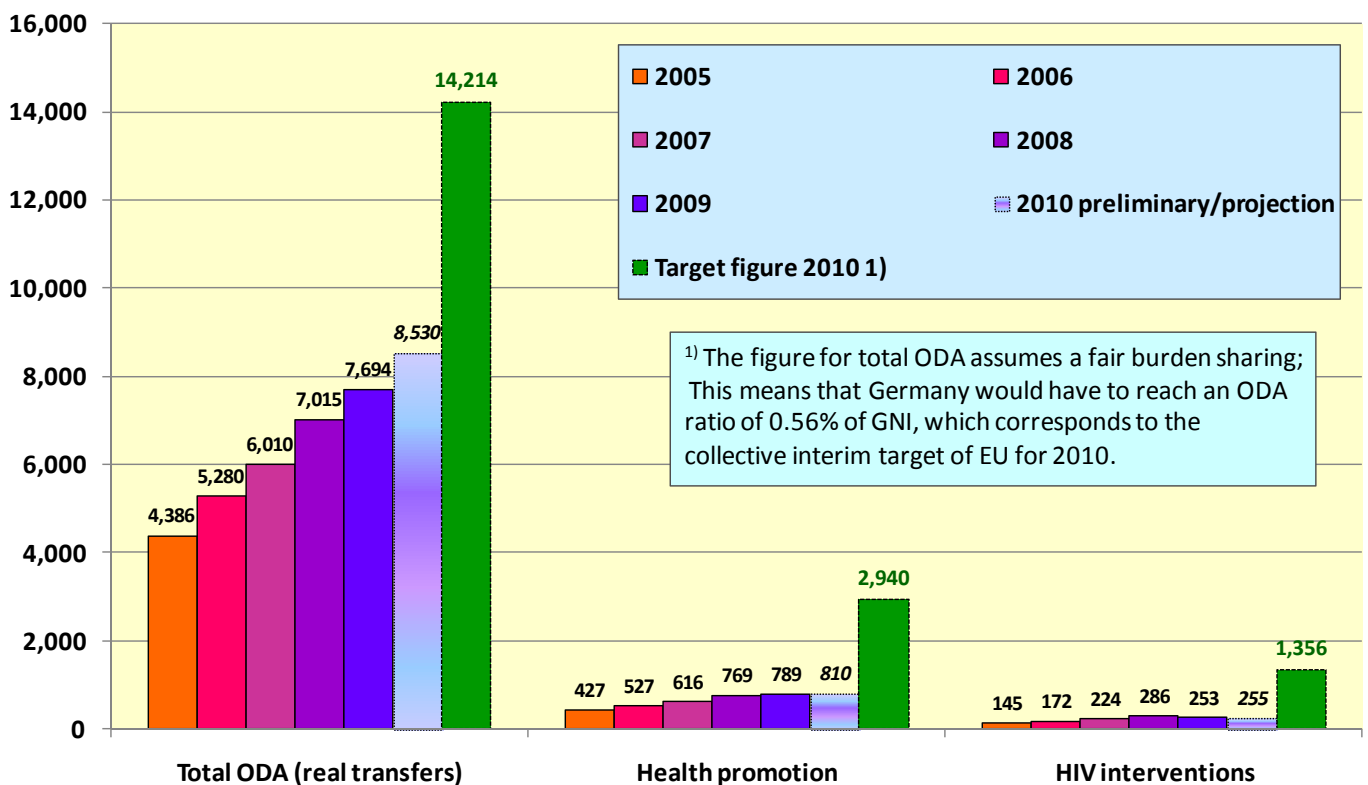
- ▶ The pre-existing high share of loan-based aid flows in the totality of real ODA transfers has drastically increased between 2009 and 2010 and at a recent 22% it was far above the average of about 8% observed for all donor countries.

- ▶ This inevitably leads to a neglect of the poorest countries which is reflected in the facts that the ODA contributions for sub-Saharan Africa stagnated on the level of the previous year and the share of this region in bilateral net ODA declined below 20% in 2010.

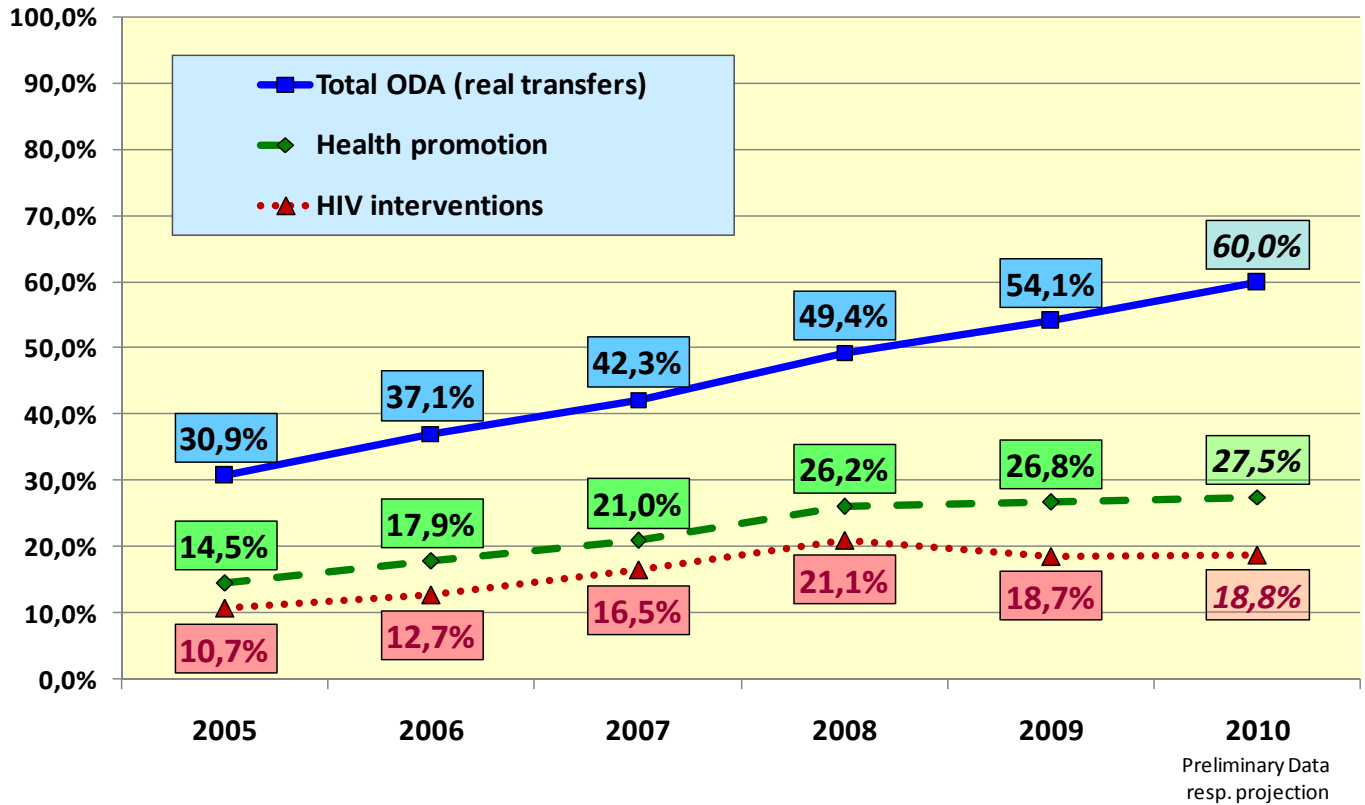
Altogether the small increases of the BMZ budget that are planned for 2011 and 2012 only amount in aggregate to 0.01% of the GNI and will not contribute to reduce the enormous gap between the commitments and the real ODA contributions. This means that the discrepancy between the real decisions in the area of development policy on the one hand and the internationally agreed obligations on the other hand is widening even more.

The following graphics illustrate this divergence for the three dimensions that are of particular relevance for the assessment of the financial support for the global efforts to control the HIV epidemic.

Evolution of Germany's Real ODA Resources for the relevant Funding Areas in relation to an Adequate Contribution Level (in Euro Millions)



Germany's ODA-Disbursements for the analysed Funding Areas as percentage of the Adequate Contribution Level for the year 2010



Urgent adjustments are required

Developmental decisions and strategies should without exception be oriented towards the basic needs of those people and communities that are most disadvantaged and that are affected by HIV/AIDS and other life-threatening diseases. This should be comprehended as an imperative of human solidarity, as a logical responsibility in the face of the history of colonial exploitation and sine qua non for a future that is worth living for all people. This fundamental goal should take precedence over other areas of foreign politics, especially foreign trade policy, instead of intending to subordinate development policy to commercial interests.

In recent years, not least through the dialogue with civil society, strategies to control HIV and the closely connected fields of activity have been formulated focusing on the realization of human rights and gender equality. Based on these principles it is necessary to further develop some important elements. This applies especially to the cooperation with vulnerable key groups and strategies to overcome specific risk situations caused by social disadvantage. But it

also concerns the strengthening of the scope of action for governments to implement a policy of access to medicines and the public funding for research of medical products for the prevention, diagnosis, and treatment of the globally most serious diseases.

The Federal Government should refrain from the intention to limit the share of multilateral development cooperation to a randomly fixed ratio. Instead it is in the interest of a better coordinated and thus more effective development partnership to render more support to the Global Fund in the fight against AIDS, Tuberculosis and Malaria as well as to health-relevant UN organisations and other multilateral institutions. This implies to participate dedicatedly in the conceptual development as well as to contribute a fair share of financial contributions. The consolidation and development of the Global Fund as a financing instrument, which is characterized by broad participation, transparent procedures for reviewing and approving programmes as well as a demand-oriented allocation of funds, should be

perceived as a central task of the international community. Therefore, Germany ought to be a reliable partner instead of looking for excuses for withdrawal.

Germany is called upon to make the necessary effort to implement the internationally agreed standard for the transparency of development aid. Making available comprehensive information on content-related aspects and flows of financial resources for development projects to the public constitutes a precondition for the participation and control by the target groups as well as the effective planning and coordination by the responsible institutions. This transparency of the allocation of funding is also an essential prerequisite for an early detection of cases of corruption.

The Federal Government should advocate within the responsible EU committees, that the current or future free trade agreements negotiated with developing countries should not contain regulations that endanger the access to medicines. Germany should clearly oppose the introduction of additional monopoly rights for pharmaceutical companies, which would complicate the use of safeguard provisions of the TRIPS Agreement.

In order to meet the commitment on development financing that had been proclaimed by the industrialized countries four decades ago and to thus meet a central re-

quirement for the realization of the MDGs, it is essential to agree on a legally binding plan to achieve the ODA ratio of 0.7% of the GNI. This plan should define annual target figures corresponding to the required pathway for ODA growth. It should be oriented towards the EU-proposed minimum ratio of 0.57% of the GNI in 2012 in order to quickly compensate for the failures of the past. The annual and medium-term budget planning should reflect these target figures without having to use funds borrowed from the credit market in order to achieve these targets.

Within the framework of a necessary increase of the overall funds, more importance has to be assigned to health promotion and the control of HIV than has been the case thus far. In order to adequately participate in the efforts to realize the basic right to enjoyment of the highest attainable standard of health for people in developing countries, Germany would have to raise an annual financial contribution of five billion US\$ by 2015 or according to the current exchange rate 3.6 billion Euros for the fight against life-threatening diseases and the strengthening of health systems. For interventions regarding HIV prevention, treatment, care, and support it would be required to achieve an annual ODA contribution of at least two billion US\$ or 1.5 billion Euros by the middle of the decade, if fair support is to be rendered to achieve universal access to these key interventions.

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Marco Alves is an economist since 2009 and engaged in various activities in the area of Global Health. His thematic focus lies within the effects of patents and respective mechanisms to promote research on and access to health-products for developing countries. Since 2010 he is board member of the organization Free Knowledge Network (Netzwerk Freies Wissen).

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„Life is a human right!“

Action against AIDS Germany is a German nationwide network of more than 100 non-governmental organizations and more than 280 grassroots groups working on AIDS and development cooperation.

The political demands of Action against AIDS Germany refer to the specific targets and principles agreed on by the United Nations and laid down in the respective Declarations on HIV/AIDS adopted in June 2001 and June 2006. These demands address the German Government and Parliament as well as the pharmaceutical industry.

Core demands focus on support for human right to life and health, additional funding for global AIDS prevention and treatment by the German government and price reductions for essential medicines by the pharmaceutical industry.



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