

# Introduction: Germany's contribution to global health and HIV response

It is one of the most brutal forms of injustice when people are dying at an early age because social deprivation leads to extreme risks of disease and hampers the access to effective treatment. Since the United Nations have adopted the Millennium Declaration as well as the first Declaration of Commitment on HIV and AIDS, the international community has made significant progress in curbing the most devastating epidemics as well as improving health care. A child that was born in a developing country at the turn of the millennium had a 15 percent risk of dying before the age of 40. This danger of early death could be lowered to an average of 11 percent. But it still has to be expected that in some countries especially affected by HIV or other severe crises, an average of one third of new-borns will not reach the age of 40. In contrast, the risk in most economically more advanced countries amounts to less than 2 percent.

Action against AIDS Germany advocates for lifting everyone's life chances to the highest possible level. Especially the economically deprived countries are dependent on international cooperation in order to take effective and comprehensive measures for prevention and treatment of HIV as well as other serious diseases. Human solidarity, historical responsibility, but also the preventative fight against health threats and distributional conflicts, which lastly will not stop at any frontiers, should motivate privileged countries such as Germany to make the required political and financial efforts. This report attempts to objectively evaluate the German Government's contribution in the light of global challenges and agreements and, on this basis, present recommendations for suitable approaches of political action. We see ourselves as supporters of those who are still suffering from discrimination and marginalization.

## Structure of the report and the individual contributions

This report is the fifth publication of this kind and it is divided into two main sections similar to previously published reports. The individual articles have been provided by members of Action against AIDS Germany. The compilation of these articles is a reflection of the spectrum of Action against AIDS as well as the various approaches by the organizations involved in Action against AIDS Germany.

**Part A** covers political government action of previous years in decisive areas for health promotion and HIV response. **Part B** presents essential results and conclusions of a study, which, for the first time, attempted to determine the financial contributions of the economically privileged countries for the realization of the health-related Millennium Development Goals covering the complete period from 2000 to 2015.

The report starts with an analysis of the recent agreements of the United Nations, which are of special significance for the global efforts in overcoming poverty and illness. Furthermore, current trends of the HIV epidemic are also described in order to be able to better estimate the impact of previous efforts of prevention and treatment as well as the remaining challenges.

## International Agreements in the fight against poverty and HIV: an ambivalent résumé

The New Development Agenda entitled "Transforming our World", which has been adopted by the UN General Assembly in September 2015, sets out the global reference framework till 2030 for all world regions and areas of action. Through the implementation of the 17 goals of the Agenda the international community aims to achieve the eradication of poverty and conservation of natural

resources. The UN Declaration on HIV and AIDS adopted in June 2016, entitled “On the Fast Track to accelerate the fight against HIV and to end the AIDS Epidemic by 2030” completes the 2030 Agenda and it is to provide clear guidelines in overcoming one the biggest threats to human development. It has to be stated, however, that the agreements reached will only partially meet the respective requirements. Their structural fault lies in the inherent contradiction to formulate appropriate specific targets and correct insights, yet to avoid concrete obligations for the required financial efforts and socio-political changes. The irresponsible obstructive position of many governments frustrated the agreement on suitable time-bound financial commitments and systematic measures interventions to overcome social disadvantage and discrimination. It goes as far as the point that important commitments made in previous UN Resolutions and Declarations were diluted or delayed in current documents. These fundamental deficits endanger the realization of the remaining targets including universal general health coverage and ending the AIDS epidemic. For the international civil society this leads to a dual task: it has to urge government representatives to implement suitable targets and, simultaneously, to motivate them to take corrective measures regarding political and financial commitments.

A look at the current epidemiological situation shows that HIV as well as the closely related Tuberculosis each has caused more than one million deaths worldwide per year. Regardless of the partial success achieved thus far, these are the most fatal infectious diseases. The number of new HIV infections in adolescents and adults remained at 1.9 million in recent years. Programs for the prevention of vertical HIV transmission have led to quite positive results and the number of annual infections among infants has been lowered by two thirds from 450,000 to 150,000 since 2005. Thus, the global community has to significantly increase its efforts in order to overcome HIV and other devastating diseases. With the implementation of the new UN Declaration and by implementing the agreed targets herein, new infections as well as HIV-related deaths could be reduced to less than 500,000 by 2020 and this would lay the foundation for the end of the AIDS epidemic by 2030.

### **Official statements on global health: Growing problem awareness but hesitant willingness to take action**

Part B of the reports begins with the careful examination of the political action by Germany’s Federal Government in recent years. Although the coalition agreement between current political parties involved in the present German Government assigns a certain amount of significance to global health, the implemented and planned increases in financial contributions so far for the internationally agreed development and health targets have remained significantly below the required level. Even the previously announced but by far inadequate steps to come closer to reaching the UN objective for official development cooperation of 0.7 percent of the Gross National Income (GNI), was only partially fulfilled in the budget decisions.

A critical assessment of specific strategy papers of the German Government to control the global HIV-crisis as well as the national problems shows that the latest document has a tendency to treat the HIV interventions as part of the efforts to strengthen the health systems. The integration is partially required under the aspects of effectiveness and universality. However, there is a danger of losing sight of the special challenges such as the by no means overcome discrimination of people with HIV and particularly vulnerable population groups. The mention of the emphasis on human rights for an ethical and effective response to HIV is quite positive. However, the insufficient increases of the contributions to the Global Fund and for especially relevant UN organizations as well as the reduction of partner countries for the bilateral cooperation in the field of health and HIV are in clear contrast to the quite intensified involvement in important multilateral decision bodies. The implantation of strategies can also be described as partially fulfilled. Finally, the involvement of civil society in the preparation of the 2016 document lagged behind the good practice achieved in the

elaboration of the 2012 policy paper. This was shown by the fact that important substantive input has not been taken into consideration.

The appropriate aspiration to regard the control of the HIV epidemic as a primary task for the global community can unfortunately hardly be found in government declarations. As the respective contribution in this report shows, the Declaration dealing with the EU-Africa Summit in 2014 did not devote a single word to the threat by HIV in the by far most affected continent. The few statements on global health are also limited to specific individual aspects without sufficient attention to the basic significance for human development. Official statements by Chancellor Angela Merkel at least contain some crucial insights, when she emphasizes the necessity of addressing global challenges such as food safety, health, education and human rights or when she describes the Global Fund to Fight AIDS, Tuberculosis and Malaria as a proven and effective multi-lateral instrument. Her full support of Free Trade Agreements –even with the present predominance of commercial interests – is definitely contrary to the protection of health and human rights.

The global initiative to strengthen health systems entitled “Healthy Systems – Healthy Lives“ which has been launched together with the German Government was initially regarded as an imperative reaction to the Ebola crisis and other health risks. The respective article on this subject shows that the conceptual considerations and financial efforts are unfortunately not congruent. The so-called “Roadmap“ requires a global plan for the financing of universal health coverage. This necessarily includes the pledge to increase Germany’s own contributions for health care in the disadvantaged regions to at least the recommended level of 0.1 percent of the economic capacity. Efforts to improve the coordination and the effectiveness of health services are necessary, but they should not detract from the social causes of the HIV epidemic and other health crises or from the own responsibility as Government of an economically privileged country. Furthermore, the path-breaking experiences and positive impacts of the efforts for HIV prevention and treatment should be much more appreciated and should be used for the development of suitable initiatives.

Due to the significance of their national economies, the governments of the G7 States have a special joint responsibility for global development. The article on Summit Declarations particularly covers the health-relevant statements. Especially the 2007 and 2008 commitments to raise 60 billion US\$ within the period of five years to reach “ the Millennium Development Goals in the Fight Against HIV/AIDS, Malaria and Tuberculosis as well as to Strengthen the health systems“ and the initiative for child and maternal health launched in 2010 were of special significance. The following simple calculation shows that the pledges of health financing were quite moderate despite the seemingly large number when compared with the urgent need and the economic opportunities: if the G7 States had fulfilled the recommendation in the period in question (2008 to 2012) to contribute a total of 0.1 percent of the GNI for global health, the amount of 164 billion US\$ would have been provided. Nevertheless, it has to be stated that the G7 Government Representatives have affirmed the 2016 target of the 2030 Agenda to end the major epidemics. The call on other donors to support the required replenishment of the Global Fund, would have been much more convincing and effective, however, if this would have been connected with the guarantee of suitable own contributions. The recently announced “Ise-Shima Vision for Global Health“ mentions important challenges and targets, but only extremely vague statements are made regarding the consistent implementation of required financial commitments in support of the expansion of health services as well as the intensification of medical research.

## **Insufficient perception of the dangers of increasing monopoly rights for scientific and technical progress**

The global implementation of patents and other monopoly rights even for procedures and products, which are of vital importance for services of public interest has reached a new level with the foundation of the World Trade Organization (WTO) in January 1995 and the realization of the TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights), which is an obligatory requirement of a membership. Although the agreement comprises possible safeguard measures such as compulsory licenses and the decision making competence of the States regarding their application has been confirmed by the Doha Declaration in 2001, the use of these so-called flexibilities, however, is obstructed by external pressure and also by internal conflicts of interest and has only taken place in exceptional cases so far. Only the group of the least developed countries is allowed to benefit from the transitional periods, which have been extended for pharmaceutical products till January 2033. The first article on this topic uses the treatment of Hepatitis C as an example to show that the sale revenues achieved by monopoly prices substantially exceed the investments in research and development. The prospect of monopoly profits also intensifies the orientation of research investments towards lucrative demand rather than essential health necessities. The policy makers finally have to implement the required coordination and support measures in order to give priority to the human right for life and health instead of private profit-making interests.

The second article regarding the issue of monopoly rights describes the necessity to interpret and implement the TRIPS Agreement in national law in favour of those people affected by severe diseases and turning it into national right. It is vital to limit patentability for minimal innovation and to uphold full authority for the use of compulsory licenses. The attempts of economically privileged countries to enforce even more monopoly rights and to hamper the use of the TRIPS flexibilities can be a considerable risk for the affordability of essential drugs and other medical products. A highly problematic regulation is the extension of patent terms exceeding the minimum period of 20 years, the exclusive use of results of clinical studies for marketing approval and the extraordinary right for enterprises, to sue states in extrajudicial settlement procedures due to profit-decreasing decisions and measures. Should these additional agreements become the rule, the production and marketing of generic drugs will be more and more under pressure with fatal consequences for diagnosis, prevention and treatment of life-threatening diseases.

Yet another article covers the imbalance between research priorities of commercially oriented pharmaceutical companies on the one hand, and the need of research activities regarding the serious health problems of the deprived majority of the world population on the other. The lack of interest of pharmaceutical companies in products for which large sales can only be expected in the far future, e.g. due to increasing resistances presently hampers the translation of important results of basic research to clinical research. Therefore, scientific and technical progress was limited even for widely spread and severe illnesses such as Tuberculosis as well as for neglected tropical diseases or the blatant health dangers such as Ebola. There is urgent need for the enhancement of support measures as well incentives to support research efforts in the service of public health instead of leaving this field to market mechanisms. Fatal research gaps need to be closed and new life-saving vaccines, diagnostic devices and drugs need to be available and be affordable.

Further contributions explicitly describe the current situation and the action required regarding the two major epidemics of Tuberculosis and Malaria. The double infection with HIV and Tuberculosis is an especially life-threatening combination. And again, sufficient political will and financial resources are required in order to implement the available effective instruments and strategies of prevention,

diagnosis and treatment and to overcome these epidemics as a threat to public health. Just as for HIV control, the Global Fund is also of decisive importance in the support of the respective programs.

The joint public tasks on national and global level require the allocation of the respective resources. In addition to the urgently required equitable structuring of the tax system and the fight of tax evasion, innovative financing sources can play an important role. Thus, one article deals with the instrument of the financial transaction tax. If the presently interested ten European countries including Germany would agree and implement a suitable model for the taxation of financial products, a substantial amount of financial resources could be raised, which are urgently needed for securing national services of general interest and the global fight against poverty, hunger and disease. A two-digit billion US\$ amount could be expected for Germany alone. Furthermore, this would also guarantee that those who directly caused the financial crisis will be involved in bearing the costs.

The Global Fund, as partnership for all parties involved, has set new standards regarding the participation of self-help initiatives of affected persons and civil-society organizations. This is very important in the process of reaching out to vulnerable population groups, the protection of their human rights and thus the effectiveness of interventions. Despite the adverse overall conditions the programs supported by the Fund have achieved impressive effects. The targeted prevention and treatment interventions including the access to antiretroviral therapy of more than 9 million people with HIV has saved the lives of 17 million people. The Global Fund is an indispensable instrument in the implementation of the 2030 Agenda. Only sufficient funding will allow meeting the Sustainable Development Goal 3 "Ensure healthy lives and promote well-being for all at all ages" as well as achieving the resulting positive effects to overcome other dimensions of poverty. Since Germany's annual contribution stagnated at an insufficient level of 200 to 210 million euros for nearly a decade, the increase to a fair level of 400 million euros in the coming three years can no longer be postponed.

From 8 to 10 June 2016, the representatives of the member countries met at the United Nations Headquarters in New York for a High Level Meeting to discuss the end of AIDS. The most important outcome was the adoption of a new Declaration on HIV and AIDS, which is discussed in yet another article. Action against AIDS Germany thankfully accepted an invitation to join the German Government Delegation. The delegation meeting provided the chance to have open and constructive discussions with Federal Minister Hermann Gröhe, the accompanying Members of the German Parliament, the staff of the Permanent Representation, the line ministries, the civil society as well as all other parties involved. Controversial issues were also addressed such as the necessity to increase Germany's contribution for development cooperation in the health sector and the funds for the research of poverty-related diseases. This opportunity for participation and the debates should be the democratic rule. But this cannot be said about all governments. More than 20 self-help initiatives and civil-society organizations had been excluded from the participation in the UN Meeting by veto of the respective governments. This is a clear indication that the commitment to basic rights and the democratic participation of all people has to continue if we want to overcome the HIV epidemic and also develop a more just and human world society.

## **Germany's insufficient contributions to the Millennium Development Goals need to be compensated by higher payments for the implementation of the 2030 Agenda**

Since the period for the implementation of the Millennium Development Goals (MDGs) ended in 2015, the question has to be asked which contributions have been made by the better-off countries for the achieved partial success. A study prepared by the Medical Mission Institute in cooperation with Action against AIDS Germany has tried to find an answer to this question. The study focuses on the grants for Official Development Assistance which, other than loans, can be used for those countries and population groups most in need of assistance. Part B of the report presents the significant results and conclusions. The study covers the contributions for the overall official development cooperation as well as financing in support of health care, HIV control and the Global Fund.

Two results are of importance for the political debate in Germany. Firstly, the contributions of all 23 donor countries that had joined the Development Assistance Committee (DAC) of the OECD before 2013 remained far below the required level. Secondly, Germany's contribution, which was far below average, was the cause for a substantial part of this deficit.

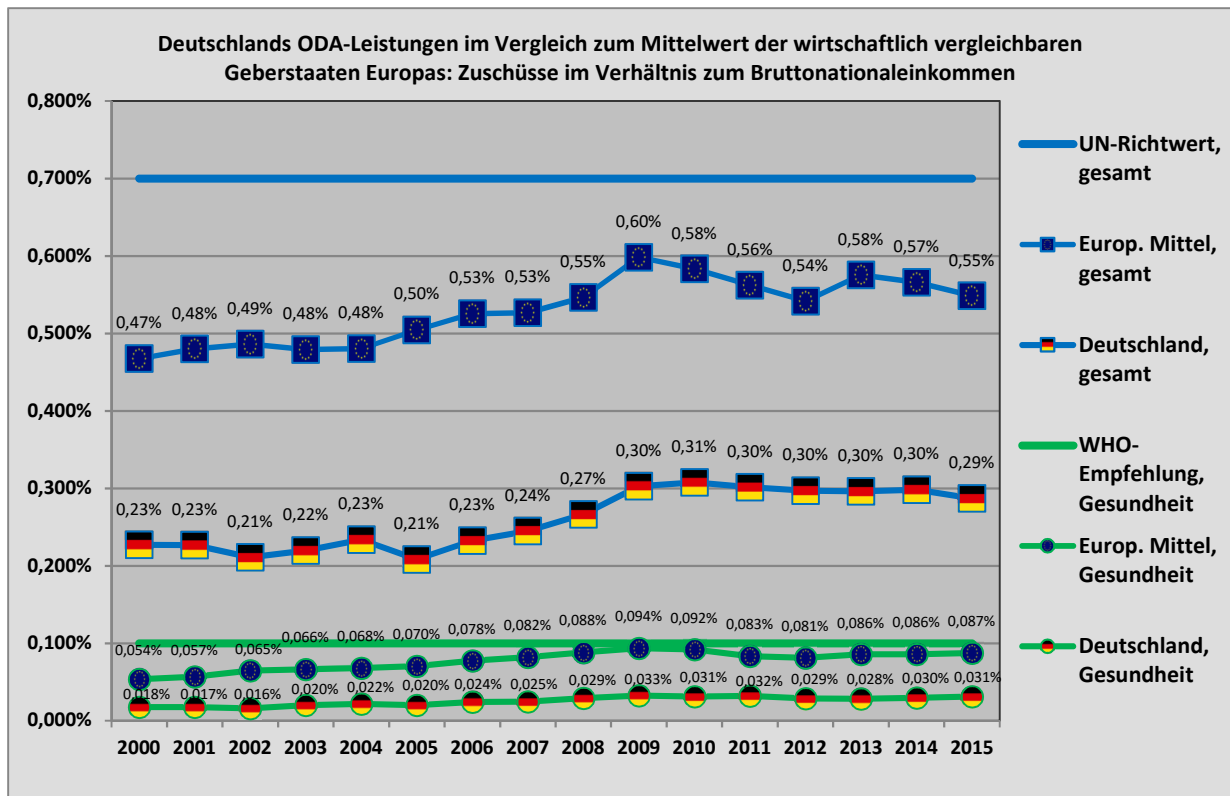
Throughout the MDG period from 2000 to 2015, the contributions of DAC countries for development cooperation amounted to less than 0.24 percent of the combined economic capacity. This corresponds to only just one third of the UN target agreed in 1970 of 0.7 percent of the Gross National Income (GNI). In order to improve the health situation, the DAC countries raised 0.038 percent of their collective GNI, i.e. less than one fifth of the amount of 0.1 percent recommended by the WHO Commission of Macroeconomics and Health. This is an indication of the extent of lost opportunities in the fight against poverty, hunger and diseases due to the fact that many governments of rich countries did only insufficiently fulfil their obligations.

The overall result of donor contributions is considerably influenced by the particularly low contributions of the USA and Japan, the two countries with the largest economic capacities. However, Germany has to be measured against the contribution level of comparable European countries. In this case, the reference value is the simple average of the ODA ratios of the 12 European DAC countries, which were less affected by the economic crisis.<sup>1</sup> This group of countries recorded an average contribution level of around 0.53 percent for ODA disbursements overall. In contrast, Germany's ODA grants merely amounted to 0.26 percent of the GNI and corresponded to hardly half of the European average. And of all things, Germany performed even worse in the vital health contributions. Whereas the comparison group contributed an average of 0.079 percent, Germany's GNI ratio amounted to only 0.025 percent. Consequently, Germany raised less than one third of the average contribution level of comparable countries and only reached hardly more than one fourth of the target value.

As the below graph shows, Germany's backlog has hardly diminished over the years. However, European average contributions have decreased due to the economic crisis, whereas Germany's financial efforts have stagnated since then.

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<sup>1</sup> These are in alphabetical order: Belgium, Denmark, Finland, Ireland, Luxembourg, the Netherlands, Norway, Austria, Sweden, Switzerland and the United Kingdom.



Germany's reduced output resulted in substantial consequences for development and health financing. If Germany's overall contributions during the MDG period had reached the European average level, an overall amount of 209 billion euros would have resulted. Actually, Germany contributed less than 104 million euros. And if Germany had raised its ODA grants for health to the average European level between 2000 and 2015, almost 31 billion euros would have been available. The actual contributions added up to merely around 10 billion euros. The shortfall of almost 21 billion euros would be sufficient to raise the overall international resources for a period of an entire two years. According to latest estimates UNAIDS, this amount would be adequate to end the AIDS epidemic.

With 0.009 percent of the GNI between 2007 and 2015 for the response to the HIV epidemic, Germany's ODA contributions also only reached one third of the average value of the mentioned European donor countries. And up to 2016, Germany's contribution to the Global Fund of 0.0066 percent since its foundation, was also far below the European comparable figure of 0.0087 percent.

### **Demands by the civil society**

Based on the available facts and analyses, Action against AIDS sees the urgent need to further develop and correct central points of Germany's political and financial commitment in vital areas of global health and the HIV response.

The realization of Sustainable Development Goals should not stay a mere lip service. Within the coming one and a half decades they have to be perceived as a core component of government action in all relevant policy areas. In order to achieve the envisaged targets of universal health coverage and the end of AIDS as well as of other devastating diseases, scientific and technical progress has to be oriented towards the basic needs of the world's population and all people should have full benefit from these results. Therefore, there should not be any further trade agreements allowing additional monopoly and extraordinary rights for private enterprises. Instead, based on the original UN Declaration of Commitment on HIV and AIDS, Germany should advocate for the revision of the

agreements carried out since the foundation of the WTO. Those provisions that have proven to be damaging to public health and other areas of services of public interest should be revised respectively. The protection of human life should have definite priority over commercial and particular interests.

One of the most essential rectifications of the 2030 Agenda is the agreement of concrete and appropriate financing targets for Official Development Assistance (ODA) overall as well as for essential funding areas such as health. Instead of postponing the fulfilment of the UN target of 0.7 percent of the GNI for the overall ODA contributions, a firm commitment is required to reach this target level by 2020. The same applies to the WHO recommendation to raise at least 0.1 percent of the GNI for the improvement of the health situation in developing countries. It will only be possible then to plan and initiate measures in a timely manner required for the realization of the 2030 Agenda. Germany should commit to reach these financing targets without resorting to the capital market. Only grants from public budgets can be regarded as genuine contributions to development cooperation benefiting the particularly deprived countries and population groups.

Since Germany has largely hidden behind other European donors regarding the financial efforts for the realization of the MDGs, policy makers are called to finally live up to the international responsibility and to make an appropriate contribution towards the implementation of the Development Goals. In light of the historical involvement in colonial exploitation and due to the current realities of development financing, Europe should raise half of the required overall funds. This results in a European target value for the overall ODA which exceeds by about one third the generally required contribution level of industrialized countries. On average, in recent years the five best-performing donor countries already reached this level of about 0.135 percent. Thus, Germany would have to raise its ODA grants for health till 2020 to 4.8 to 4.9 billion euros each year. An amount of about 1.3 billion euros would be assigned as a suitable share towards the costs for the end of AIDS. It is also necessary and fair to top up the contribution to the Global Fund to at least 400 million euros on average of the years to come.

Thus, Germany would be able to turn from a laggard to a forerunner for global health and would be regarded as a trustworthy partner in international negotiations in the search for solutions for the most urgent crises. The international community would come closer to the goal to also provide health services in those places with the heaviest burden of health risks and economic hardships.

Furthermore, Germany should use the newly won credibility to advocate for a global plan of action with the goal to provide access to vital health services for all people without the danger of impoverishment. This necessarily includes the development of a qualitatively new funding model, which will overcome the insecurity of voluntary contribution payments and introduce a fair system of compulsory contributions instead. The Global Fund could act as a role model and a breeding ground in this respect. This would simplify the anticipatory planning and consistent implementation of necessary interventions for the extension of comprehensive health systems and demand-oriented research. The international community cannot accept that people are dying because insufficient public revenues, lack of understanding of government representatives or the low purchasing power of the endangered population groups will hamper the access to effective prevention and treatment interventions.