GLOBAL GOVERNANCE AND THE HIV/AIDS RESPONSE: LIMITATIONS OF CURRENT APPROACHES AND POLICIES

Marcelo I. Saguier

CSGR Working Paper Series No. 225/07

May 2007

Global Governance and the HIV/AIDS Response: Limitations of Current Approaches and Policies

Marcelo I. Saguier

CSGR Working Paper Series No. 225/07
May 2007

Abstract:

This paper critically examines the constraints of the current global governance of HIV/AIDS to reach the target set by governments and the leading development institutions to halt and begin to reverse the spread of HIV/AIDS by 2015 as part of the Millennium Development Goals (MDGs). The HIV/AIDS crisis can only be resolved effectively when its nexus with poverty and neo-liberal globalization is acknowledged and addressed by comprehensive and long-term policy responses. Three dimensions of the current global governance of HIV/AIDS are identified as strategically relevant for a reform agenda: first, the democratic deficit of decision making processes and institutions; second, the limited access of sufficient and reliable sources of financial resources and the burden of foreign debt in developing countries; thirdly, the intellectual property rights regime and its effects on the access of anti-retroviral drugs for AIDS treatment.

Key Words: HIV/AIDS epidemic; development; neo-liberal globalization; democratic deficit; foreign debt, TRIPS, anti-retroviral drugs.

Contact Details:

Marcelo I. Saguier

Alvarez Thomas 1738

Ciudad de Buenos Aires

C1427CDR Argentina

Marcelo.Saguier@warwick.ac.uk

GLOBAL GOVERNANCE AND THE HIV/AIDS RESPONSE: LIMTATIONS OF CURRENT APPROACHES AND POLICIES

The aim of this paper is to facilitate a policy reflection on the limitations and opportunities of current approaches to the global governance of the HIV/AIDS pandemic with the objective of contributing to the attainment of the Millennium Development Goals (MDGs) of halting and beginning to reverse the spread of HIV/AIDS by 2015.

The paper begins with a brief discussion on the relation between the process of neo-liberal globalization, poverty and the HIV/AIDS epidemic. It is claimed that the threat posed by the spread of HIV/AIDS constitutes a serious development challenge associated with the uneven distributional impact of the globalization process on the world's most poor countries and regions. The prospects of eradicating this disease can only be realized if HIV/AIDS is recognized as a development problem and addressed through the adoption of comprehensive and long-term policy responses.

Some of the central dimensions of the current global governance of HIV/AIDS are identified in order to locate key strategic areas for policy reform. Firstly, the dimension of political power is discussed in relation to the ownership and legitimacy of existing policy responses and arrangements to combat HIV/AIDS globally. The issue of democratic control and representation of policy initiatives is of central importance to ensure their effectiveness and sustainability.

Secondly, the availability of sufficient and reliable sources of funding is another important dimension of the global governance of HIV/AIDS. In spite of the considerable resources generated and committed by donor countries and institutions to support HIV/AIDS programs, the virus continues to spread posing a major development crisis. Among the various reasons that explain this, the problem of the foreign debt in developing countries is discussed as a key factor

limiting the prospects of reaching the Millennium Development Goal.

Thirdly, the current international Intellectual Property Right (IPR) regimes are also a central part of the global governance of HIV/AIDS. They regulate the cost of anti-retroviral (ARV) drugs for AIDS treatment, conditioning the degree of access to these medicines by poor countries.

Finally, the last section advances a series of policy recommendations and areas for a reform agenda.

Globalization, poverty and the HIV/AIDS pandemic

The period of rapid economic globalization experienced over the past two decades following the neo-liberal doctrine has corresponded with the global spread of the HIV/AIDS pandemic. There is no coincidence in this. Globalization has created opportunities for economic growth and development, but there is no doubt that the spread of its benefits and negative impacts have been rather uneven between and across countries. Global inequality is not only restricted to differences in per capita income. It also concerns widening gaps in key development indicators, such as life expectancy, infant mortality, public health, education, among others. The developing countries have been overall the most affected by the social and economic impacts of globalization.

Poverty and the spread of HIV/AIDS are complementary and self-reinforcing. The weaker the social and economic conditions in a given country or area, the more vulnerable its population becomes to the risk of contracting the HIV virus and of being severely affected by AIDS. A good infrastructure of public education and health are absolutely necessary to prevent the spread of this virus, and to treat those that have been infected by it. In turn, the more affected a population becomes to the HIV/AIDS epidemic, the less likely it stands a chance at economic,

social and institutional development. Poverty and HIV/AIDS produce a downward spiral from which it is not easy to escape.

An understanding of the globalization-poverty nexus is crucial to address the HIV/AIDS crisis. The global governance of HIV/AIDS must avoid policies that exacerbate social tensions; promote strong social institutions and social partners; promote social cohesion based on investments in health and education; and support sound labor relations based on core labor standards (ILO, 2005). There can only be chance to stop the HIV/AIDS if it is addressed as development challenge.

The globalization process and poverty is also associated with the increased movement of people across borders. The pressure of flows of labor migration from poor to rich countries in search of better economic opportunities has increased as a result of the widening of global inequality. This has facilitated the spread of HIV/AIDS worldwide. It is for this reason that only global approaches and responses to the HIV/AIDS problem can ultimately be effective for the eradication of this disease.

Democratic deficit and the effectiveness of HIV/AIDS responses

The global governance of HIV/AIDS refers to the multiple and interlaced arrangements of institutionally formal and informal norms/rules which define and condition the nature of global responses to the HIV/AIDS pandemic. The content and control of such norms is subject to a process of permanent contestation and negotiation that takes place (formally and informally) among multilateral institutions part of the United Nations, public-private institutions such as the Global Fund to Fight HIV/AIDS, TB and Malaria, corporations, civil society organizations and policy networks. The extent to which HIV/AIDS responses are effective and sustainable in time depends on their degree of legitimacy and ownership in the eyes of those

involved in the formulation and delivery of those policies. The issue of the democratic control of this complex arrangement of power relations becomes particularly important.

The unequal representation of the interests of developing countries in international financial institutions (IFIs) and the limited transparency and accountability of their policy processes are central concerns in current policy debates on the reform of these institutions in light of pressing demands to increase their democratic legitimacy. The possibility of poor countries to influence the definition of agendas, rules and procedures of IFIs related to the formulation of HIV/AIDS global responses is very limited. Differing degrees of formal and informal representation reflect underlying structural economic inequalities between countries in the current global political economy. In the case of the International Monetary Fund (IMF) and the World Bank, the voting power of member countries is proportional to the amount of financial contribution brought in by each of its members. Industrialized countries are in a position to give proportionally greater quotas than developing countries, thus dominating the executive board of the institutions both in terms of chairs and votes. This has permitted industrialized countries to withstand recent initiatives put forward by governments of emerging middle-income countries to reform the current system of representation of these institutions.

A recent IMF proposal was presented at the last IMF and World Bank meeting in 18 September 2006 to increase the voting rights of some countries (China, South Korea, Turkey and Mexico) and to revamp the way voting quotas are calculated. The proposal was finally approved, despite the opposition of the G24 countries and 33 other countries which proposed an immediate general revision of the quota system. Although this reform is a step in the right direction, it did not alter the imbalance of power in the IMF or give a greater representation of other developing countries. Industrialized countries continue to maintain control over the decisions of the institution. Until deep reforms to democratize the IMF are introduced, the increasingly challenged democratic legitimacy of this institution will continue to

undermine the efforts to create a more democratic multilateral system.

The problem of unequal representation of developing countries in the IFIs is not restricted to the nature of formal institutions per se. This can be seen clearly in the case of the World Trade Organization (WTO). In spite of the fact that all member states have an equal vote within the WTO decision making structure, poor countries are less well represented that its rich counterparts. On the one hand, the wide range of issues and increasing technical complexity that are negotiated in the WTO poses a great challenge for poor countries with deficient bureaucratic capacity and resources. Nearly a third of the member states do not even have a permanent representation at the organization's headquarters in Geneva. With small and weak bureaucracies, many poor countries are not adequately represented in the international forums that determine rules for the global economy that will affect their future prospects of development, and HIV/AIDS responses more specifically. On the other hand, the dependence of developing countries from international capital and investment, technology, aid, market access to industrialized countries and the burden of foreign debt conspire against their capacity to influence the negotiation process of trade rules. The underlying inequalities in economic power of different countries translate in uneven bargaining power, compromising therein their policy autonomy and influence in the negotiation of global trade rules. Equality in formal representation does not resolve the problem of structural inequality of developing countries in the world economy.

The democratic deficit of global governance institutions also relates to their limited degree of public accountability and transparency. There are rarely any independent assessment of the impacts of their policies and operations on countries and peoples. Likewise, there are no procedures in place by which people that have been adversely affected as consequence of the policies implemented by international institutions can take their complaints and seek compensation (ILO, 2004: 78). With regards to transparency, there is often scarce information available for public scrutiny. Information is required in order to engage broad sectors of

society in a debate about the potential positive or negative impacts of policy decisions. In this respect, civil society organizations have played a valuable role in demanding greater transparency and accountability from global economic and financial institutions (O'Brien *et al*., 2000; Scholte and Schnabel, 2002).

The difficulty of a lack of greater coherence and coordination of HIV/AIDS responses evidences the absence of a sense of collective ownership among governments (even among governments from industrialized Northern countries). Multilateral responses are severed by the adoption of donor countries of unilateral instruments. Most of the funding available for HIV/AIDS programs is provided through bilateral channels ($3.5 billion or 81%), while the remainder is allocated through contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria (The Global Fund) ($813.6 million or 19%) (Kaiser Family Foundation, 2006). As in other areas of global governance, the United States has a leading role in the combat of HIV/AIDS when compared with other countries. The United States is the single largest donor of overseas development aid (ODA) for health, the main contributor to the Global Fund to Fight HIV/AIDS, TB and Malaria, and since 2003 it has largest single HIV/AIDS program with the establishment of the Presidential Emergency Plan for AIDS Relief (PEPFAR). Half of the ODA available internationally to target HIV/AIDS specifically is provided by this country.

Unilateral initiatives like PEPFAR have strict conditionalities that are imposed on the governments of aid recipient countries who are often not in a position to reject or influence the terms of such funding. Conditions attached to this kind of aid often require currency exchange and purchase of imported goods and services procured by the donor country at high costs (like expensive patented medicine, equipment and supplies) and promotion of abstinence-based prevention programs and hostility to condoms (Actionaid, 2006: 4; OXFAM, 2002: 16; UNAIDS, 2006a: 249). Similarly, the prevalence of bilateral channels over multilateral mechanisms discourages the prospects of reaching a broad consensus among the international community on a shared policy framework to fight HIV/AIDS. The problem of the

HIV/AIDS pandemic needs to be addressed as a global issue demanding joined global initiatives. No one donor or aid recipient can achieve this alone (Kaiser Family Foundation, 2006: 16).

There have been some recent attempts to make HIV/AIDS responses more effective by introducing greater policy coherence and coordination. One example of this is the establishment of the UN system-Global Fund Global Joint Problem-solving and implementation Support Team (GIST) in 2005. The GIST promotes problem-solving and concerted action among various multilateral partners to accelerate the implementation of AIDS programs and foster policy harmonization. However, it is important to notice that the existing lack of policy harmonization is not only a technocratic challenge that can be solved purely by creating innovative institutional mechanisms like GIST. Underlying this problem there is the tension between fundamentally different ways of understanding global public health and of organizing institutionally responses to global health challenges (Ingram, 2005: 384). In particular, the global politics HIV/AIDS are driven by conflicting views and interests concerning the role of the state and international institutions and of the market in the provision of health services (Segall, 2003). What are the responsibilities of public institutions and the private sector (corporations and civil society organizations)? How to hold their actions accountable to citizen control?

Money talks but does it also safe lives?
The financial governance of HIV/AIDS responses

In recent years there has been a considerable increase in the amount of financial resources committed by the international community to combat the HIV/AIDS. Estimates show that there has been a rise of committed resources (from international and domestic sources) from approximately $1.6 billion in 2001 to $ 6.1 billion in 2004 and $8.3 billion in 2005 (UNAIDS, 2006a: 224-252). Despite this, however, the resulting amounts made available continue to be inadequate to

address the challenges posed by a HIV/AIDS pandemic of growing proportions (Mackellar, 2005: 308).

The claim that there are insufficient financial resources to combat HIV/AIDS is not based on pessimistic assessments of future scenarios. The gap between financial resources and needs is already a serious concern today affecting ongoing initiatives to eradicate this disease. The Joint United Nations Program on HIV/AIDS (UNAIDS) estimates that in 2005, $11.6 billion was needed to effectively respond to the HIV/AIDS epidemic in low- and middle-income countries, yielding a gap of $3.3 billion over what was available that year. Total funding needs are projected to rise to $14.9 billion in 2006 and reach $22.1 billion by 2008 (Kaiser Family Foundation, 2006). Even the Global Fund to Fight AIDS, Tuberculosis and Malaria, which was celebrated as an innovative and effective fund raising mechanism, regularly faces a funding shortfall (Actionaid, 2006; AIDSPAN, 2005; ICASO, 2004: 7; OXFAM, 2002: 9; UNICEF, 2006). Since it is difficult to have accurate estimations of the increasing needs for additional funding in the future, it also possible that the problem of HIV/AIDS may be even worse than current estimates suggest (UNAIDS, 2005: 4). What is certain is that rate of spread of this disease is at the moment increasingly higher than the rate at which resources have been so far generated. The greater the number of people that is infected by HIV every year, the larger the need for additional funding will be required in the future. The problem of a growing gap between resources pledged and needed must be addressed immediately. This makes sense not only on ethical grounds, but also on financial ones.

In order to combat HIV/AIDS not only it is necessary to generate sufficient resources to finance policy responses, but also to ensure that sources of funding are reliable and predictable. Currently, the short-term of funding cycles are defined by annual and biannual frames. This undermines the possibility of planning for the kind of long-term sustained initiatives that are required to be able to eradicate the HIV virus (Kaiser Family Foundation, 2006: 16).

One of the reasons that current funding cycles are short-term has to do with the way in which HIV/AIDS has been understood and targeted by donor's policy interventions. HIV/AIDS has been mostly addressed as an 'emergency' problem, often prompting focused policy interventions and relief efforts to remedy or contain its impact. This approach to HIV, and its associated policy responses, has not facilitated the formulation of a long-term perspective which can eliminate the causes of this disease (Secklinelgin, 2005: 365). The AIDS crisis cannot be addressed by snap policy decisions (Arndt and Lewis, 2000: 884). What is needed is a long-term vision that can orient a sustained collective commitment and mobilization of resources to eradicate this disease completely. Such a vision must enable us to go beyond the limited impacts of crisis management responses of HIV/AIDS.

In addition to the availability of sufficient and stable financial resources for HIV/AIDS responses there is also the problem of foreign debt which affects the capacity of recipient countries to address the HIV crisis by allocating scarce resources to the improvement of public services and infrastructure. The nexus between poverty, debt and HIV becomes explicit when considering that currently about one in three of all HIV/AIDS sufferers – around 13 million people – live in countries classified by the IMF and World Bank as 'Heavily Indebted Poor Countries' (HIPC). These countries also face some of the highest HIV prevalence rates in the world and are the most restricted in terms of their capacity to respond to this disease by improving their health and education systems.

The proliferation of single-disease initiatives in global health reflects a move away from integrated and systemic approaches to health and health systems that is consistent with the redefinition of the role of the state under the neo-liberal paradigm. The lesser emphasis placed on integrated health systems contradicts the growing consensus among health specialists that the success of responses to the HIV/AIDS pandemic depends on quality of integrated health systems in

supporting interventions (Ingram, 2005: 384; Segall, 2003). According to estimates of the Commission on Macroeconomics and Health, low-income countries need to increase spending on health by an amount equivalent to around 1.6 per cent of GNP a year to 2015 (based on 2002 costs) to provide effective health coverage and so meet the Millennium Development Goals (MDGs) (OXFAM, 2002: 15). Low-income countries are far from reaching the levels of investment that are needed.

Debt servicing amounts a substantial percentage of resources that could be otherwise allocated to improving public service delivery. Half of the 26 HIPC countries in mid-2005 were still spending 15 per cent or more of government revenues on debt repayments; half of them were also spending more on debt than on public health. For example, Zambia spends 30 per cent more on debt than on health; Cameroon's debt repayments amount to three-and-a-half times its spending on health; both Malawi and Mali spend less on health than on debt servicing (OXFAM, 2002). Repayments to both multilateral and bilateral creditors by these countries are diverting resources needed to fight HIV/AIDS and to break the links between ill-health and poverty. While the pandemic destroys lives and livelihoods, debt repayment is taking precedence over human needs.

Existing debt relief programs under the Heavily Indebted Poor Countries (HICP) Initiative are not adequate to address the development challenge posed by the HIV/AIDS pandemic. In order to qualify for HICP, indebted countries need to have demonstrated a track record of reform and sound policies in line with the IMF and World Bank structural adjustment and reform programs. The pressure to open up public services to the private sector under the General Agreement on Trade in Services (GATS) heavily constrains the ability of developing countries to construct health systems along the lines that supported health improvements in many rich countries (Ingram, 2005: 393-4). This poses a paradox since the 'deeper and more intrusive the policies of structural adjustment, the weaker and more aid-reliant the state, resulting in a severely diminished capacity to resist the institutional reforms that condition access to development financing' (Tan, 2007: 163).

Furthermore, the tight fiscal discipline demanded by IMF and World Bank programs sets limits to the possibility of developing countries to increase their levels of public spending in basic services and infrastructures required to respond effectively to the HIV/AIDS challenge.

Also, the HICP does not address the real budget constraints of poor countries. The criterion employed to assess debt sustainability gives priority to external debt indicators such as debt service/export rations and debt/GDP ratios rather than internal indicators as the ratio of debt service/government revenues (OXFAM, 2002: 13, 18-19). The implication of this is that obligations of countries to financing public investment for human development are considered to be less important than the advancement of trade liberalization reforms.

Rules on Intellectual Property Rights and the access of medicine

The Trade-Related Aspects of Intellectual Property (TRIPS) agreement that was signed in 1994 a global standard for the protection of intellectual property rights (patents, trademarks, copyright) for World Trade Organization (WTO) members. Under the TRIPS agreement, signatories are required to implement TRIPS provisions via national legislation, adopt enforcement measures and be subject to trade sanctions in the event of non-compliance with TRIPS provisions. The impact of the TRIPS on access to essential medicines, and particularly AIDS drugs, in developing countries has made it one of the most controversial WTO agreements.

The establishment of TRIPS has been attributed to the pressure exerted by a reduced number of pharmaceutical corporations in their attempt to introduce legal framework to protect their investments and profits by creating a twenty-year monopoly right for their products. Their profits are safeguarded by preventing that their drugs are copied for the production of generic versions of the drugs at lower

costs to supply poor countries, but also by preventing that generic drugs may leak back into the more profitable consumer markets in the industrialized countries in which the margins for profit are substantially greater (Poku, 2002: 297). The monopoly right introduced by TRIPS artificially raises the prices of anti-retroviral (ARV) drugs. In creating a monopoly for the production ARV drugs, large pharmaceutical corporations have effectively amplified their private interests into public international law (Sell, 2000: 91).

The Doha Declaration on the TRIPS Agreement and Public Health adopted at the WTO's Ministerial Conference in 2001 was a response to the concerns and controversy raised by this agreement. The Declaration reaffirmed and clarified the flexibilities available under TRIPS Agreement which can and should be interpreted in a manner supportive of WTO Members' right to protect public health and to promote access to medicines for all. Also, least developed countries were given an extension of the transitional period for compliance with the agreement regarding pharmaceutical patents from 2006 to 2016, while WTO developed countries Member States were mandated to provide incentives to their enterprises and institutions to promote and encourage technology transfer to least developed countries with little or no manufacturing capacities in the pharmaceutical sectors.

These flexibilities include the right of governments to issues *compulsory licenses* so that patented products can be manufactured without the consent of the patent owner. It also grants governments the freedom to determine the grounds upon which such licenses are given. In August 2003 WTO members further agreed to modify TRIPS provisions relating to compulsory licensing, permitting export of low-cost generics to developing countries that do not have the capacity to produce these medicines domestically.

The use governments of the flexibility provisions contemplated in the TRIPS agreement has a direct impact on the supply and demand of medicines with implications for their cost and accessibility. There is need to stimulate a global

market for generic ARVs, as it is evidence that the introduction of generic competition has lowered the price of patented drugs (Stop AIDS Campaign, 2006; UNDP, 2006). Generic drug competition has accounted for a drop in the annual cost of standard antiretroviral (ARV) medications from 10,000 dollars to about 140 dollars per patient per year in countries like South Africa. The more governments use TRIPS flexibility provisions, the more solidly this normative standard will be embedded, advancing the view of health as a global public good. This is a particularly pressing issue at a time where there is a growing need for 'second-line' drug treatment needed for patients that have developed resistance to the their first combination of medicines.

It is difficult for developing countries to exercise the full range of TRIPS flexibilities. Pharmaceutical companies in developed countries, supported by their governments, have tended to resist moves toward the abolition of patents on AIDS drugs, which could encourage the production of generics as well as drive down the prices of patent drugs. These companies have the advantage of access to private investment capital and control of the research and development (R&D) production of new pharmaceutical technology and the supply of their products in the global market. This advantage provides them with greater leverage in setting not only the terms of the intellectual property regime, but also conditions under which governments can make use of its provisions to respond to their obligations as providers of public health in cases of national emergency. Additionally, there are the pressures for liberalization, the realities of trade negotiations and litigation and the bureaucratic burden involved in the new rules (Ingram, 2005: 394).

In the attempt to undermine the flexibilities guaranteed in the Doha Declaration the United States has been introducing a 'TRIPS-plus' agenda of intellectual property rights through the signing of bilateral Free Trade Agreements (FTA). In the past five years, the United States has concluded negotiations of FTAs with Australia, Bahrain, Chile, Colombia, Peru, Jordan, Morocco, Oman, Singapore, South Korea, Israel, Malaysia, Thailand, the United Arab Emirates, the Central America-

Dominican Republic (CAFTA) and the Southern African Customs Union (SACU) (UNDP, 2006).

The TRIPS-plus agenda includes provisions to: expand the scope of pharmaceutical patents to include new indications, new formulations, and other minor changes; limit grounds for issuing compulsory licenses to emergencies, government non-commercial use, and competition cases only; bar parallel trade of on-patent drugs sold more cheaply elsewhere where prohibited by contract; and extend patent monopolies for administrative delays by patent offices and drug regulatory authorities. Under a 'data exclusivity' clause, the US demands that companies or government agencies desiring to register a generic drug cannot make use of the original company's clinical trial and safety data already screened by the health authorities, even if it can be shown that the generic and original drugs are identical in composition. As a result of this, generic drugs will not get safety approval and thus cannot be marketed to patients, even if the government has issued a compulsory license, and even if the drugs are not under paten in the country. While the WTO allows countries to import or produce generic drugs – through a government-issued compulsory license or government use order – the FTAs with the US shuts out or restricts such measures through many provisions, such as restricting the use of compulsory licenses.

Areas of policy reform

The targets set at the MDGs to halt and begin reversing the spread of HIV/AIDS by 2015 will not be met without a bold reform of the current governance arrangements. The different sections of this paper identified key areas that demand special attention considering their constraining effects on the ongoing efforts to eradicate this pandemic. A series of tentative recommendations are advanced to facilitate the much needed debate on this pressing issue.

With respect to the democratic deficit of the global governance of HIV/AIDS, governments should move towards the democratization of multilateral decision-making processes and institutions to ensure a more balanced representation of developing countries. Public-private initiatives like the Global Fund should also augment the representation of NGOs and vulnerable populations.

Moreover, new formal mechanisms should be established to increase the transparency and accountability of multilateral processes and institutions. Governments should also foster a debate on the viability of a global freedom of information act.

To ensure that the financial resources allocated to the eradication of HIV/AIDS are sufficient and reliable to support long-term policy initiatives governments should seek to adopt permanent multilateral mechanisms raise financial resources. Even the celebrated Global Fund has not escaped the uncertainties that result from governments withdrawing their resources. Predictability is central to be able to formulate responses from a long-term perspective.

One way to generate the much needed additional resources to stop the spreading of HIV/AIDS is for governments to honor their pledge to commit 0.7 % of their national budget to development. Alternative sources of funding can also created with the incorporation of a system of taxation of global financial transactions (the Tobin tax). Such additional resources could be used to create special international funds to help the poorest countries build solid public health infrastructures and carry out effective programs to combat HIV/AIDS.

The problem of debt continues to be a major stumbling block in the efforts to fight this pandemic. No matter how much resources are raised, unless a solution to the debt burden is put forwards there is little chance that current programs can stop the spread of the virus. The existing loan conditionalities of the IMF and HIPCs must be changed in ways that they allow fiscal space to indebted countries to raise

public spending in health services rather than acting as incentives for the privatization of public services.

The more recent Enhanced HIPC Initiative could be reformed by including a debt servicing ceiling of five per cent of government revenue and less for countries that will otherwise be unable to reach the MDGs. This would relax the tight fiscal conditions that indebted countries have to meet and maintain to be eligible for HICP debt relief programs.

Moreover, strategies to fight HIV/AIDS should be included as a central objective of national poverty reduction plans through the Poverty Reduction Strategy Papers (PRSP). These should detail the full costing of plans, realistic financing schemes, and the development of transparent and accountable public financing systems to ensure that commitments are reflected in national budgets and medium-term expenditure frameworks. The PRSP can then also be used by the donor community as a framework for technical and financial support.

The shared responsibility of industrialized countries in the governance of HIV/AIDS should also reflect a commitment to a serious revision of recent initiatives undertaken to cancel the debt of poor countries. The consequences of such initiatives should be measured in relation to the capacity of poor countries to improve their chances to eradicate the HIV virus by channeling additional funding to improve their public services, infrastructure and programs. Likewise, this kind of debate should also take place with respect the debt of poor countries affected by HIV/AIDS with the International Monetary Fund, the World Bank and other regional banks.

The possibility of allowing indebted countries to swap their debt obligations with increases in the levels of public investment in health and education services should also be contemplated as a viable and complementary option to debt cancellation.

Finally, to increase the supply and access of anti-retroviral (AVR) drugs to treat AIDS patients at affordable prices the manufacturing capacity of generic drug companies should be supported with the introduction of incentives and facilitation measures. Governments of countries heavily affected by AIDS should employ the existing flexibility measures TRIPS offered under the TRIPS agreement. In turn, governments from industrialized countries where the main pharmaceutical corporations are based should cease pressuring resource-limited countries that seeks to utilize the flexibility measures of TRIPS.

Governments should also promote the removal of 'health' from the list of services subject to trade liberalization discussions. Only this way can health be treated as a public good and a social right, in line with the principles established at the 2001 Doha Declaration on TRIPS and Public Health. A moratorium on the inclusion of 'TRIPS-plus' provisions in regional and bilateral trade negotiations should also be adopted to prevent that the consensus reached in the Doha Declaration can be undermined with the establishment of other trade agreements.

BIBLIOGRAPHY

Actionaid (2005) 'Changing Course – Alternative Approaches to Achieve the Millennium Development Goals and Fight HIV/AIDS', September, [online: http://www.actionaid.org].

Actionaid (2006) '3…2…1…gone? Failure to call Global Fund Round 6 risks the whole 2010 AIDS treatment target', April 11, [online: http://www.actionaid.org].

AIDSPAN (2002) *The Global Fund: Which countries owe how much?*, April, [online: www.aidspan.org].

AIDSPAN (2005) *Advocacy Alert: Global Fund Financing*, 4 Aug, [online: www.aidspan.org].

Barnett, T. and Whiteside, A. (2002) *AIDS in the Twenty-First Century*, South Africa: Palgrave.

Ingram, A. (2005) 'Global Leadership and Global Health: 'Contending Meta-narratives, Divergent Responses, Fatal Consequences', *International Relations,* Vol. 19 (4): 381–402.

International Council of AIDS Service Organizations (ICASO) (2004) *NGO Perspectives on the Global Fund*, [online: http://www.icaso.org].

International Council of AIDS Service Organizations (ICASO) (2006) *A Call for Political Leadership: Community Sector Recommendations for the UN Political Declaration on HIV/AIDS*, [online: http://www.icaso.org]

International Labour Organization (ILO) (2005) 'HIV/AIDS and work in a globalizing world'.

Arndt, C. and Lewis, J. D. (2000) 'The Macro Implications of HIV/AIDS in South Africa: A Preliminary Assessment', *Journal of South African Economics*, 68 (5), pp. 856-87.

Kaiser Family Foundation (2006) 'International assistance for HIV/AIDS in the developing world: taking stock of the G8, other donor governments and the European Commission', July, [online, http://www.kff.org].

Khor, M. (2004) 'Patents and Access to Medicines: What Can be Done at National Level', Briefing Paper 23, Third World Network, [online: www.twnside.org.sg].

Mackellar, L. (2005) 'Priorities in Global Assistance for Health, AIDS, and Population', Population and Development Review, June, 31(2): 293–312.

O'Brien, R.; Goetz, A. M.; Scholte, J. A. and Williams, M. (2000) *Contesting Global Governance: Multilateral Economic Institutions and Global Social Movements*, Cambridge: Cambridge University Press.

OXFAM (2002) 'Debt relief and the HIV/AIDS crisis in Africa', Briefing Paper No. 25, June, [online: www.oxfam.org.uk].

Poku, N. K. (2002) 'The Global AIDS Fund: context and opportunity', *The Third World Quarterly*, Vol. 23, No. 2, pp. 283-298, p. 297..

Scholte, J. A. and Schnabel, A. (2002) *Civil Society and Global Finance*, Warwick Studies in Globalisation, London: Routledge.

Secklinelgin, H. (2005) 'A Global Disease and Its Governance', *Global Governance*, Vol. 11, No. 3, July-Sept, pp. 351-368.

Segall, M. (2003) 'District health systems in a neoliberal world: a review of five key policy areas', *International Journal of Health Planning and Management*, 18 Oct-Dec, pp.5-26.

Sell, S. K. (2000) 'Structures, agents and institutions: private corporate power and the globalisation of intellectual property rights', in Higgott, R. A., Underhill, G. D. and Bieler, A., eds., *Non-State Actors and Authority in the Global System*, London: Routledge.

Stop AIDS Campaign (2006) 'Access to Essential Medicines for HIV', Policy Briefing', UK Consortium on AIDS and International Development, [online: www.stopaidscampaign.org.uk].

Tan, C. (2007) 'The poverty of amnesia in structural adjustment', in Stone, D. and Wright, C., eds., *The World Bank and Governance*, Warwick Studies in Globalisation: Great Britain: Routledge.

The Global Fund to Fight AIDS, Tuberculosis and Malaria (2005), *Annual Report,* [online: http://www.theglobalfund.org].

Todorova, Z. K. (2003) 'HIV/AIDS in Heavily Indebted Poor Countries and Global Finance', *Oeconomicus*, Vol. VI, winter.

United Nations International Children's Emergency Fund (UNICEF) (2006) *The Global Fund*, Information Sheet, 10 July 2006, [online: www.unicef.org].

United Nations Development Programme (UNDP) (2006) 'The TRIPS Agreement

and Access to ARVs', HIV/AIDS Group, [online: www.undp.org/hiv].

United Nations Program on AIDS (UNAIDS) (2005) 'Resource needs for an expanded response to AIDS in low- and middle-income countries', August, [online: http://www.unaids.org].

United Nations Program on AIDS (UNAIDS) (2006a) 'Report on the Global AIDS Epidemic', [online: http://www.unaids.org].

United Nations Program on AIDS (UNAIDS) (2006b) 'Quality Education and HIV & AIDS', Inter-Agency Task Team (IATT) on Education, May.

CSGR Working Paper Series

201/06 April	Peter Newell Civil society participation in trade policy-making in Latin America: The Case of the Environmental Movement
202/06 April	Marcus Miller and Dania Thomas Sovereign Debt Restructuring: The Judge, the Vultures and Creditor Rights
203/06 April	Fondo Sikod Globalisation and Rural Development in Africa: The Case of the Chad-Cameroon Oil Pipeline.
204/06 April	Gilles Quentel The Translation of a Crucial Political Speech: G.W.Bush' State of the Union Address 2003 in Le Monde
205/06 April	Paola Robotti Arbitrage and Short Selling: A Political Economy Approach
206/06 May	T.Huw Edwards Measuring Global and Regional Trade Integration in terms of Concentration of Access
207/06 May	Dilip K. Das Development, Developing Economies and the Doha Round of Multilateral Trade Negotiations
208/06 May	Alla Glinchikova A New Challenge for Civic National Integration: A Perspective from Russia.
209/06 June	Celine Tan Who's 'Free Riding'? A Critique of the World Bank's Approach to Non-Concessional Borrowing in Low-Income Countries
210/06 September	Richard Higgott International Political Economy (IPE) and the Demand for Political Philosophy in an Era of Globalisation
211/06 October	Peter Waterman Union Organisations, Social Movements and the Augean Stables of Global Governance
212/06 October	Peter Waterman and Kyle Pope The Bamako Appeal of Samir Amin: A Post-Modern Janus?
213/06 October	Marcus Miller, Javier García-Fronti and Lei Zhang Supply Shocks and Currency Crises: The Policy Dilemma Reconsidered
214/06 December	Gianluca Grimalda Which Relation between Globalisation and Individual Propensity to Co-Operate? Some Preliminary Results from an Experimental Investigation
215/07 January	Kui-Wai Li, Iris A.J. Pang and Michael C.M. Ng Can Performance of Indigenous Factors Influence Growth and

	Globalisation?
216/06 December	Marcus Miller and Lei Zhang Fear and Market Failure: Global Imbalances and "Self-insurance"
217/07 February	Catherine Hoskyns Linking Gender and International Trade Policy: Is Interaction Possible?
218/07 February	Dilip K. Das South Asian Free Trade Agreement: Prospects of Shallow Regional Integration
219/07 February	Vanesa Weyrauch Weaving Global Networks: Handbook for Policy Influence
220/07 February	Yuji Tamura Preferences for Immigration Restriction and Opinions about Immigrant's Economic Impacts
221/07 March	Dania Thomas and Javier García-Fronti Good Faith in Sovereign Debt Restructuring: The Evolution of an Open Norm in 'Localised' Contexts?
222/07 March	Michela Redoano Fiscal Interactions Among European Countries: Does the EU Matter?
223/07 March	Jan Aart Scholte Civil Society and the Legitimation of Global Governance
224/07 March	Dwijen Rangnekar Context and Ambiguity: A Comment on Amending India's Patent Act
225/07 May	Marcelo I. Saguier Global Governance and the HIV/AIDS Response: Limitations of Current Approaches and Policies

Centre for the Study of Globalisation and Regionalisation
University of Warwick
Coventry CV4 7AL, UK

Tel: +44 (0)24 7657 2533
Fax: +44 (0)24 7657 2548
Email: csgr@warwick.ac.uk
Web address: http://www.csgr.org