HIV/AIDS and Australia's International Approach

Aid, Trade and the Global Fund

July 2004

AIDWATCH

TABLE OF CONTENTS

1.0 Introduction

Over recent years, there has been a strong push internationally to coordinate and strengthen the response to the HIV/AIDS epidemic. This has been prompted by the dramatic progression of the epidemic in Africa, and its rapid spread in other regions. HIV/AIDS is a disease that flourishes along existing social faultlines associated with poverty, gender inequality, and violence. In turn, it also exacerbates these divisions. The link between HIV/AIDS and development is a strong one, which is increasingly being recognised internationally.

In terms of overseas development assistance, or aid, health has moved up the global agenda in recent years. Health has already increased as a percentage of Australia's foreign aid (from $34.5 million in 1991/92[1] to $242 million or 12%[2] in 2004/05), although the overall aid budget has decreased as a percentage of GDP over the last decade (0.33% 1994/95 to 0.26% in 2004/05[3]). There is increasing pressure to respond and contribute to health needs worldwide.

The need to respond to the HIV/AIDS epidemic has also been fuelled by an international outcry over the cost and availability of essential medicines needed to treat the disease. This includes the antiretroviral drugs which have been widely available in the developed world since 1996, and drugs used to treat opportunistic infections which accompany the disease.

Despite the clear recognition by Australia that HIV/AIDS is an important international issue, Australia can do much more to address this growing problem. Currently our aid program has failed to deliver significant benefit to recipient countries despite the vast level of experience in HIV/AIDS treatment and prevention that exists in this country. Australia has dragged its feet on supporting international agendas such as the Global Fund to target HIV/AIDS in a coordinated manner and still gives much less in dollar terms than in relation to other nations. Additionally, through the trade program the Government has adopted a position that has restricted the international community from dealing with this issue in the most efficient manner.

This paper outlines these areas of Australia's international involvement in the prevention and treatment of HIV/AIDS.

---

[1] Downer (1996) Australia's Overseas Aid Program, circulated by the Hon Alexander Downer, M.P., Minister for Foreign Affairs, Australian government Publishing Service, Canberra, ACT. August 20.
[2] AusAID (2004) Australia's International Development Cooperation 2004/05, Statement by Foreign Minsiter Donwer and Budget Papers, Diagram 4, Canprint Publishing, Canberra, ACT. May 11.
[3] Ibid, Table 2, Australia's ODA 1971/72 to 2004/2005.

1.1 OVERVIEW

Global epidemic

An estimated 40 million people globally were living with HIV/AIDS at the end of 2003. More than three million died during that year. While sub-Saharan Africa is still the worst-affected, other regions face rising infection rates. Many developing countries have also seen a rise in infection rates. In the Asia Pacific region, 7.4 million people are now estimated to be living with the disease. While the adult prevalence rate is still under 1% in most countries in this region, this figure can be misleading. Countries such as India and China have such large populations, that 1% still represents a significant number of infected people. In a number of countries, higher infection rates in some provinces and amongst certain groups (such as sex workers and injecting drug users) indicate an expanding epidemic. Cambodia, Myanmar and Thailand already have to contend with serious nationwide epidemics. Countries such as Vietnam, Papua New Guinea and Indonesia also face rising infection rates. (See UNAIDS, *AIDS Epidemic Update December 2003*, Joint United Nations Programme on HIV/AIDS and World Health Organization (WHO), Geneva, 2003).

In response to this, there has been a concerted effort at an international level to rapidly upscale treatment access. This has been led by the United Nations, World Health Organisation and the Global Fund to Fight AIDS, Tuberculosis and Malaria which was formed in 2001. At the UN General Assembly meeting on HIV/AIDS in September 2003, these organisations declared the failure to deliver AIDS medicines to those who need them, a global health emergency. The WHO has embarked on a program of getting three million people on treatment by 2005 (around half of those who need it), as a step towards universal access.

Treatment works

The benefits of antiretroviral therapy are obvious from the experience in developed countries – with a 70% drop in HIV/AIDS deaths. However, access to live-saving treatments remains inadequate in developing countries. It is increasingly recognised that treatment assists prevention efforts, and helps to alleviate fear and stigmatisation. The impact of improved quality of life and life expectancy on development is also significant. An estimated 6 million people in developing countries need immediate treatment, but only 8% are receiving it.

Despite concerns that treatment is too complex for resource poor settings, treatment and care have been successfully implemented in a number of countries such as Thailand and Brazil, and in small-scale projects such as those run by Medecines San Frontieres. These programs have shown that treatment works, when sensitively designed with a focus on community participation and adapted to local circumstances. These programs have also shown that adherence can be successfully negotiated in complex delivery situations.

Experience shows that treatment programs in resource-poor settings require a comprehensive approach based on prevention linked to treatment, care and support. All of this necessitates a government-wide effort in coordinating this approach, and maximising the scarce resources available.

2.0 Australia's Obligations

Giving effective support to developing countries in dealing with HIV/AIDS is not only in Australia's interests – in terms of promoting greater economic and political security in the region – but it is also a moral obligation. Australia's international obligations in responding to the epidemic are established through the United Nations Special Session on HIV/AIDS (UNGASS) *Declaration of Commitment on HIV/AIDS* (2001) and the Millennium Development Goals adopted by the UN in 2000.

3.0 Australia's International Engagement

There are thee main areas of government policy which are concerned with and impact on the HIV/AIDS epidemic. The first is Australia's overseas aid program.

3.1 AID PROGRAM

The Australian government has come under increasing pressure to include HIV/AIDS treatment in its overseas development program. Treatment has been restricted thus far to clinical trials. However, treatment is one of the main issues prompting a review of AusAID's HIV/AIDS and Development policy – which is due to produce a strategy in 2004. Treatment will also be a key focus at the International AIDS Conference to be held in Bangkok in July 2004.

The HIV/AIDS sector in Australia has voiced a collective wish to participate in the transfer to regional countries of the benefits of experience with HIV/AIDS treatment, management and care. The sectors that support HIV health care, management and education are acutely aware of the successes and lessons from the Australian response, and the need to contribute internationally. However, the mechanisms and sources of funding available for this transfer of experience through the aid program are unclear or not present.

Traditionally, HIV/AIDS activities funded through the Department of Health and Ageing have had to be exclusively conducted within Australia – although as a result of recent reviews of the government's national HIV/AIDS strategy there may now be more opportunities for support for international activities. In addition, the tendering process for AusAID projects severely limits the degree to which important sections of the Australian HIV/AIDS sector can be consistently and comprehensively involved.

Individuals or organisations from within the sector are approached to be part of one tender – and are thus tied into a competitive process. Unfortunately, those preparing tenders do not always have comprehensive knowledge of the sector, and appropriate individuals and organisations may be overlooked. Expertise is often structured into projects through longer-term positions, or via short-term consultants (employed on an individual basis). This negates utilising the repository of institutional knowledge that has been built up over the years of the response to the epidemic in Australia – including the formation of organisations for people living with HIV/AIDS, national research centres, and a peak professional organisation for clinicians.

Australia has little experience in how to implement treatment for such a complex disease through its aid program. Any successful response would need to draw consistently and collaboratively on all available resources and work in conjunction with those experienced in the complex nature of international development. On a clinical level, limited Australian international support has been provided through organisations such as the World Health Organisation – which released guidelines for antiretroviral treatment in 2001. These guidelines are based on simplified protocols, which open up the possibility of treatment being administered at a base level by nurses or community health workers.

Another concern with integrating treatments into AusAID's programs is that of sustainability. While projects are time-limited, HIV/AIDs is a chronic disease requiring ongoing treatment without interruption. Many of the social and behavioural changes needed in responding to HIV/AIDS will not be achieved quickly.

Another important part of the response in Australia has been government support for clinical, epidemiological and social research related to HIV/AIDS. Again, extending such research into the international arena runs into barriers of traditional aid and research funding models. The National Health and Medical Research Council, for instance, only funds research and training throughout Australia. AusAID has traditionally been little involved in research funding. Aside from the possibility that a growing epidemic in the region is likely to impact on Australia (through travel and immigration), there is a 'national interest' and a moral argument for Australia to contribute to the international research push to facilitate treatment access. Clinical priorities in this area include simpler drug regimens, and developing cheaper and simpler methods of diagnosis and monitoring.

Social and behavioural research are also critical in developing and monitoring the success of various programs. The possibility of linking research efforts to AusAID projects is under-utilised. This undermines potential research outcomes and comprehensive evaluation of projects. Careful monitoring and evaluation is needed in all programs that are implemented, in order to maximise cross-fertilisation and the lessons learnt.

These considerations are vitally important, due to questions about the efficacy of some of AusAID's existing HIV/AIDS programs. For instance, the flagship of the $200 million HIV/AIDS funding package announced by Foreign Minister Downer in 2000 was the $60 million *PNG National HIV/AIDS Support Project*. This project allocated $12 million annually for five years in PNG and has beenwidely criticised due to its lack of effectiveness in relation to the escalating epidemic – most recently by the World Health Organisation[4].

The 2004/05 Budget statement by Foreign Minsiter Downer also suggested an increasing concern over the problem of HIV/AIDS in PNG. The graph below was included in the attached papers and illustrates that despite the dramatic Australian

---

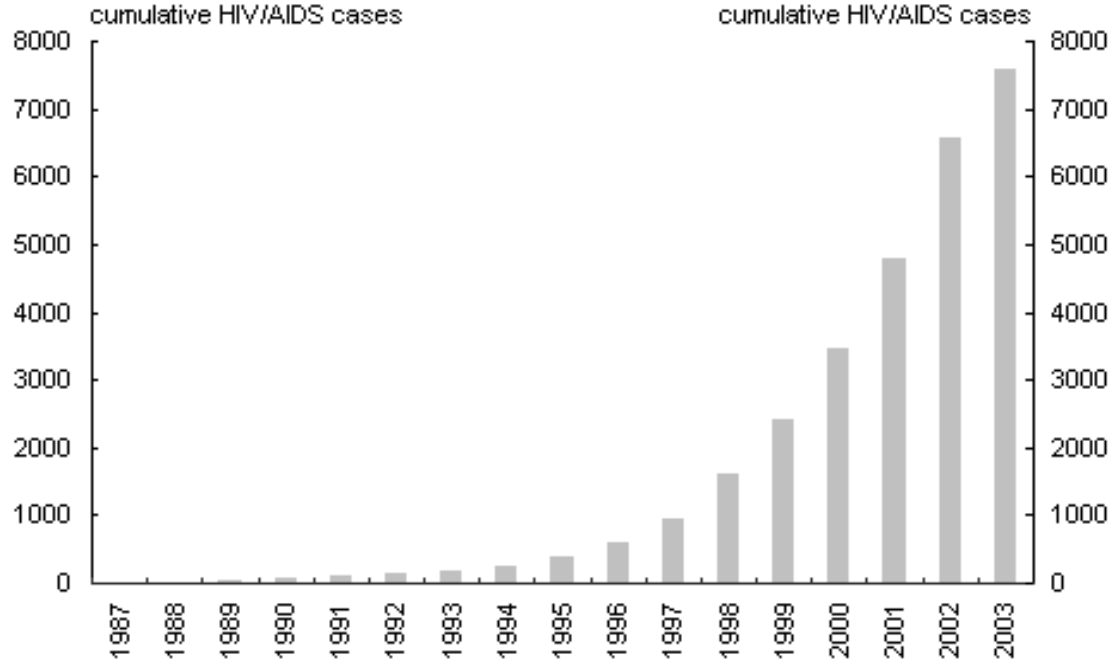
[4] Faiparik, C. (2004) AIDS hits epidemic Proportions, The National Newspaper, Port Moresby Papua New Guinea, May 6.

funding increase since the year 2000, the incidence of confirmed cases continues to rise alarmingly.

AusAID head in PNG, John Davidson, suggested in response that the PNG Government needs to put more money into the HIV/AIDS issue[5]. While this may be true, the PNG government is under ongoing resource pressure on a number of fronts. The level of support provided by AusAID means that Australia should shoulder significant public responsibility for the HIV/AIDS situation there. This is borne out in the funding allocations: Australia via AusAID are by far the main donors to the HIV/AIDS sector in PNG, contributing $A12 million (K24 million) each year to support the PNG government's efforts to fight AIDS, as compared to the PNG government's 2004 budget allocation of K706,700 ($A350,000).

The efficacy of any development program is also closely related to considerations of culture and social context. There is concern about the level of cultural awareness displayed in components of the PNG project. The project's public face was an advertising campaign that aired widely in the PNG media and on public billboards. The wording of the advertisement stated "HIV/AIDS – No Ken Kuap" which translates from PNG pidgin slang as "HIV/AIDS – Don't Fuck". While AusAID head John Davidson saw this as a step toward overcoming a reluctance to talk about the disease[6], the reaction from Papua New Guineans has been very different.

Table 1:
Cumulative total of confirmed cases of HIV/AIDS in PNG 1987-2003[7]



Source: PNG National AIDS Council Secretariat and Department of Health, June 2003. Note: total for 2003 is for 6 months to 30 June 2003.

[5] News Limited (2004) PNG AIDS budget inadequate, Australian Associated Press, April 21. www.news.com.au/common/story_page/0,4057,9347008%255E1702,00.html
[6] News Limited (2004) op. cit.
[7] AusAID, (2004) Australia's International Development Cooperation 2004/05, Statement by Foreign Minsiter Donwer and Budget Papers, Diagram 4, Canprint Publishing, Canberra, ACT. May 11.

PNG remains a conservative Christian-dominated culture and such a message has been received as controversial and in many cases, highly offensive. In addition to promoting the questionable message of abstinence, the advertisement made HIV/AIDS a "dirty" topic in the community due to its associations with sex and bad language. This in turn has contributed to a social backlash which sees many carriers of the disease ostracised from their communities[8].

Such evidence suggests the fullest possible cooperation and collaboration with local partners and communities, as well as those with HIV/AIDS and development experience within Australia, is needed in order to maximise the effectiveness and appropriateness of aid programs in this area.

3.2 TRADE AGREEMENTS

The second area of government policy which is concerned with and impacts on the HIV/AIDS epidemic is trade.

Antiretroviral drug prices in developing countries have declined dramatically in recent years, and much of this is due to the availability of and competition with generic drugs. In the light of this, major concerns remain with the past and future impact of trade negotiations on access to medicines.

Conditions imposed through the World Trade Organisation's (WTO) agreement on Trade-Related aspects of Intellectual Property Rights (TRIPS) have extended patents and made it harder for countries to access generic medicines. While the WTO agreement at Doha in 2001 was important in reconfirming the ability of poor countries (particularly those without domestic manufacturing capacity) to make use of compulsory licensing[9] in manufacturing or importing generics, the actual benefits are in doubt. Subsequent negotiations and agreements within the WTO have introduced various cumbersome and restrictive conditions, which will most likely prevent or discourage countries from making use of these provisions. In any case, the impact of these conditions has not been fully tested, and there are concerns about plans to institutionalise them through a permanent amendment to TRIPS this year.

In addition, 2005 is the deadline for countries such as India to become TRIPS-compliant. The impact of this on the supply of generic medicines for other countries is potentially significant, even for those with domestic manufacturing capacity (as many are reliant on India for the active constituents of antiretroviral drugs).

In terms of facilitating treatment access, the Australian government should pursue all avenues possible in WTO negotiations to facilitate conditions which make it easier for countries to make use of compulsory licensing, and provide technical support at country level aimed at maximising their ability to manufacture or import

---

[8] McLeod, S. (2004) Ignorance and fear: HIV/AIDS sufferers Ostracised in PNG, ABC Radio National, Correspondents report, May 9th.

[9] Compulsory licensing is domestic legislation which allows for the use of patented material within the country (outside of that permitted by the right holder) under certain circumstances. Compulsory licensing can be used to permit the manufacture or registration of cheaper generic versions of patented drugs.

cheaper generics. However, the government has pursued the opposite policy approach.

In regard to how this relates to the aid program, it would make sense that all aid projects involving treatment for HIV/AIDS should purchase and use the most affordable and sustainable drugs available that can be prescribed and used to follow as closely as possible the current international HIV treatment guidelines – including generic medicines. However, on a policy level this conflicts with Australian government positions taken in the trade area.

In addition, the recent negotiation of a Free Trade Agreement between Australia and the US has raised important questions about access to medicines for people living with HIV/AIDS in Australia. Despite the fact that Australia already has patent law which exceeds standards set out in TRIPS, the FTA includes measures which many have fought against in other bilateral trade deals – dubbed "TRIPS-plus". These measures potentially delay the entry of generic products onto the market after a patent expires. This limits the competition and price reduction which could occur – both within the Pharmaceutical Benefits Scheme and with over the counter medicines.

From the discussion above, it is clear that the issues involved in trade and aid concern a number of different government departments – and the government is considering establishing a cross-sectoral working group (Department of Immigration, Multiculturalism and Indigenous Affairs; Department of Health and Aged Care; AusAID; and Department of Foreign Affairs and Trade). Such a body could and should consider issues such as the health impact of trade agreements, and the cross-over between aid and trade policy. However, it is imperative that such a body include community representation. The concept of partnership has been a cornerstone of the successful response to the complexities of HIV/AIDS in Australia – and there is even more reason for community representation to be included in Australia's international response.

3.3 THE GLOBAL FUND

The third area of government policy which is obviously concerned with and impacts on the HIV/AIDS epidemic is its approach to the Global Fund. Australia recently decided to make a contribution to the Global Fund of AUD$25 million over three years[10] (AUD$8.3 million per year). However, an economy the size of Australia should be contributing US$25 million (AUD$31 million) for 2004 alone. (This is based on the Equitable Contributions Framework available at www.aidspan.org.) In addition, it is unclear whether Australia's commitment to the fund will be on top of its existing aid commitment.

---

[10] Downer, A. (2004) Press Conference with Dr Richard Feachem, Executive Director of the Global Fund to Fight AIDS, tuberculosis and malaria. Transcript, February 18, 2004

The Australian government has previously cited a “wait-and-see” approach amid concerns that the fund would not prioritise the Asia Pacific region as reason for not contributing. However, over three rounds and initial two-year phases for grants, the Global Fund has committed US$ 391 million to the Asia Pacific Region. Over the full five-year terms of these countries’ programs the Global Fund has committed US$ 1 billion. About 20% of Global Fund resources go to the Asia-Pacific region. The fund has already contributed above and beyond the capacity of any one country’s aid program. Beyond its perceived interests in the Asia Pacific region, Australia would be contributing significantly and more effectively to the global response to the epidemic by contributing to the fund.

The Global Fund has provided much-needed hope to countries struggling to respond to the epidemic. It has proven to be an effective means of distributing funds to countries outside of bilateral aid programs. Even where initial applications are not successful, the process of submitting, revising and re-submitting proposals builds skills and capacity in many countries. The Fund encourages international collaboration in setting up the in-country infrastructure needed to implement treatment programs. The Fund is already allocating grants to supply antiretroviral drugs (in countries such as Thailand, for instance). While treatments will need to form part of Australia’s future bilateral aid program, the fund is another mechanism for achieving this which already has experience in the area.

However, the fund relies on significant donations to give the process the best possible chance of succeeding. Major shortfalls in funding have consistently threatened the future prospects of the fund, and countries like Australia could play an important role in leading the process with significant and ongoing contributions.

4.0 Recommendations:

Australian Government

1.0 The issues involved in effective treatment of HIV/AIDS in the developing world concern a number of different government departments and hence to ensure policy coherency and effective practice the Government should limmediately establish a Cross-sectoral working group (Department of Immigration, Multiculturalism and Indigenous Affairs; Department of Health and Aged Care; AusAID; and Department of Foreign Affairs and Trade).

1.1 Such a body could and should consider issues such as the health impact of trade agreements, and the cross-over between aid and trade policy. It is imperative that such a body include community representation. The concept of partnership has been a cornerstone of the response to the complexities of HIV/AIDS in Australia – and there is even more reason for this in considering Australia's international response.

Aid

2. Australia should immediately implement a treatment stream into its HIV/AIDS aid program in line with international practice.

2.1 This treatment stream must be implemented in partnership with experienced HIV/AIDS bodies in Australia, those experienced in the complex nature of international development and importantly, in conjunction with local communities.

2.2 All HIV/AIDS international programs must include cultural and social considerations as a primary concern in the initiation, implementation and evaluation stages.

Trade

3. In terms of facilitating treatment access, the Australian government must pursue all avenues possible in WTO negotiations to facilitate conditions which make it easier for countries to make use of compulsory licensing, and provide technical support at country level aimed at maximising their ability to manufacture or import cheaper generics treatments.

3.1 The Australian government must ensure that bilateral trade agreements, such as that which was recently negotiated with the United States, do not inhibit access to generic treatments of people living with HIV/AIDS.

Global Fund

4. Australia must immediately increase its level of funding to the Global Fund to $25 million annually (indexed to CPI). So Australia can more effectively engage and support the international movement to tackle HIV/AIDS.

Author: Tim O'Connor, AID/WATCH.

AID/WATCH
19 Eve St,
ERSKINEVILLE,
NSW, 2042
AUSTRALIA

Phone: +61 2 9557 8944
Fax: +61 2 9557 9822
Email: aidwatch@aidwatch.org.au

AID/WATCH is a non-profit organization that monitors Australia's aid and trade programs and policies. For more information see http://www.aidwatch.org.au