

Global Social Forum - Session on “Right to health and trade agreements”

A global fund for Health: the G8 present their human face?

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We still don't know if it will be dedicated only to HIV/AIDS or to a wider range of communicable diseases, or generically devoted to health care, but the launch of a new Global Fund has already been separately announced by UN Secretary General, Kofi Annan, and the Italian G8 Presidency. Apparently there is a wide consensus on the initiative not only among G8 members and in the UN family, but also among developing countries, in the private corporate sector and among representatives of “civil society” (a term which nowadays seems to include philanthropic organisations like the Bill & Melinda Gates Foundation). The Global Fund for HIV/AIDS and health (as it will be probably named) would show that the G8 have seriously put health “at the center of the development agenda” and their concern in the fight against poverty. Therefore, no reason to object. But let us understand better the main aspects of the proposal. The main assumption for the constitution of a new Global Fund (many dedicated global funds and initiatives already exist: GAVI, IAVI, MIM, TB drug fund, etc.) is that an estimated additional need of \$ 10-20 billion per year for ten years to tackle infectious diseases (but Kofi Annan asks only \$ 7-10 billion to tackle HIV/AIDS alone) cannot be sustained by Official Development Aid alone, therefore a “new partnership” is needed. The new Global Fund would be constituted through an initial G8 start up donation of \$ 500 million, to match expected private contributions of equal amount; the largest companies in the world would be invited to donate \$ 500,000 each to this fund. Regarding governance of the fund, it is peculiar that the UN Secretary General, Kofi Annan, in promoting the idea of a Global Aids Fund underlined that it should be “governed by an independent board”, and external to the UN “because I want it to attract others to join the fight”. One may ask: independent from whom? In the view of the G8 “a crucial role should be played by the contributions of the corporate sector and by NGOs” and to obtain such a sustained commitment the best way is “associating the private sector to the governance system of the Genoa Trust Fund”. Therefore private corporations (not only pharmaceutical companies, it is specified) would sit in the governing board of the Global Fund, together with representatives of donor governments, of UN organisations (WHO, UNICEF, UNAIDS) and the World Bank. This, based on the peculiar principle stated in the G8 document that: “governance is the responsibility of those who provide and use the funds”. Following the same criterion one would imagine that anybody offering to participate to the national budget of a country, eventually a mafia or a drug cartel boss, could automatically sit in the Prime minister cabinet! Incidentally, no mention is made in the document of poor countries representation in the board. And who should administer the Fund, establish the work plan and the budget, evaluate and approve programmes? Obviously the World Bank. Isn't it the global leader in health? However, the World Bank would administer the Fund through a Secretariat staffed also with UNAIDS, WHO and UNICEF personnel. Now let us make a few observations. About resources. Present (2000) Official Development Aid net flow is 53 billions \$, equivalent to 0.22% of OECD countries' GNP. The requested amount of 10-20 billions would represent only a fraction of new resources that could

be made available if the decades-old agreed target of 0,7% of GNP would be met. Additional resources from the private sector would be obviously welcome. But honestly, asking for \$ 500.000 dollars to a multinational companies looks, rather as a cheap “charity”,* with a tremendous return in corporate global image, practically at no cost and obvious additional advantages if also representation in the governing body of the Global Fund is offered. The corporate sector should be rather invited to contribute to the global effort reducing prices of drugs, technologies and other key health related commodities, with a considerable multiplying effect on the reduction of health services’ costs. Or through a full respect of human rights, the adoption of higher labour standards and environmentally safe productive cycles; with an impact on health higher than any donation. Logistical support in the distribution of health commodities, is just one of many other known possibilities for collaboration with the corporate sector. Apart from international taxation mechanisms, including the so called “Tobin tax” on financial transactions, that would grant an enormous constant flow of resources. About governance. Independently from their sources, why shouldn’t resources be collected and administered by existing UN organisations? Isn’t UNICEF, for example, a Fund with a longstanding experience in attracting and channelling also private contributions? Why an “independent” board to decide about the use of resources for public global health and not WHO which has the mandate and the legitimacy for it? To whom would be the new Global Fund and its governing bodies accountable? Isn’t there an evident conflict of interests in having a representative of industry (including pharmaceutical) sitting in a board which may decide about drug purchasing strategies? And, participating in a board where some of those countries are autonomously represented, wouldn’t UN legitimacy be undermined as representative of members states’ collective interests? To have a full overview on the G8 process, it may be of some interest to remind us the process that brought to the proposal of a Global Fund. In the Terms of reference for health prepared by the Presidency and circulated to G8 partners in January this year, emphasis was put on broad issues like the need for equitable, efficient and effective health systems; access to health services as a core issue and prevention as the focus of a “comprehensive development approach, that gives priority to the improvement of people’s life conditions”; the removal of factors in the spheres of economic policy, trade, employment, housing and education, “that increase people’s susceptibility to disease and/or limit their access to prevention and care”; access to key medicines and supplies and issues like development of local productive capacity and tiered pricing; as well as the need for a higher degree of coordination among institutional partners. In that first working document “a common framework which supports mandate and stewardship of specialised international Organisations like WHO and the specialised programmes of the UN” was presented as a must. The Global Fund proposal was introduced only later in a document known a “Beyond debt relief” presented in February at the G7 Finance Ministers meeting. And, the “Global Fund” became the hot issue of the following G8 Health experts meeting held in Rome in March. Strongly contrasting positions emerged among G8 experts about the proposal, but one element registered full consensus: no new structures or institutions – in the sense of organisations set up to raise or channel funds - should be established. Multiplicity of existing initiatives should rather be brought under a common framework, and existing international institutions strengthened, while promoting mechanisms for higher efficiency. Approximately one month later, without further technical consultations, all other health related issues were definitively left out from the G8 agenda and the idea of the “Genoa Trust Fund for Health Care” was launched. In fact a new structure, with its own governance system...and many open questions. We probably all agree on the need for a concerted global effort to close the increasing gap between available resources and needs in the fight for health and against diseases in poorer countries, especially in Subsaharan Africa. However, even the most dramatic increase in financial support, will not be sustainable on the long term if macroeconomic factors that have been causing growing inequalities are not corrected and policies that may have secondary negative effects on health avoided. More resources are needed to face the dramatic health situation in Africa and, possibly, more efficient procedures to channel them to the countries in need, nevertheless we should be very careful not to sacrifice consolidated international

law, values and organisations for a very sexy and fashionable, but very questionable “partnership”.

* It has been calculated that 500.000. \$ - the requested contribution to the “Genoa Global Fund” – represent for a multinational company like Glaxo-SmithKline, the profit earned on average every half an hour. Amalric, F., The unbearable lightness of G7 concerns for the South: a comment on Italy’s “Beyond Debt Relief”, Society for International Development, Rome, march 13, 2001