

COMMISSION FOR AFRICA : FUNDING AND HIV/AIDS

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Introduction

This is a Justice Africa discussion paper on the report of the Commission for Africa, released in March 2005. The Commission was established to provide a focus for the discussions on Africa at the G8 Summit to be held in Scotland in June 2005. It covers six thematic areas- governance and capacity building, peace and security, investing in people, growth and poverty reduction, trade, and funding the report's recommendations- but this paper will be limited to the issues of economics and funding, and the implications of the report for the fight against HIV/AIDS.

The report has not been published long enough to write confidently and with certainty solely about just one issue raised by the Commission. The British government, and the Commission, see the report as a statement of the development problems faced by African nations, and as an attempt to provide certain answers for these. The report itself is only half of the process. The other half (starting now) is the implementation of the recommendations unilaterally by the British, where possible, and multilaterally in the vast majority of instances. The British Prime Minister, Tony Blair, said on releasing the report, in response to a journalist's question, that all of the recommendations are now government policy. This is a very bold claim, given that successful implementation of the policy would commit Britain to meet the Millennium Development Goal of 0.7% of GDP committed to foreign aid by 2015 (well over double current levels) in the knowledge that it might be the only member of the G7 (with the possible exception of France) to do this.

Why the focus on economics as well as HIV/AIDS? Firstly, there is no pretence that the report is anything other than substantively an economic one. The calls for progress on human rights, healthcare, education and the environment are not new; the task of the report, at least from the point of view of recipients, is how these are to be achieved, and these are fundamentally issues of finance.

Secondly, the Commission had as one of its primary mandates to review the structure and quantity of aid, and its delivery and allocation. It was established because of the coincidence of Britain chairing both the G8 and the European Union in 2005. These are economic groupings, and any plan of action that results from these summits is likely to be economic first and social second.

Thirdly, HIV/AIDS is the exemplar issue of why development concerns can not be treated alone, and why the work of both governments and civil society can not just focus on healthcare without considering education, or human rights, or social justice. These issues are inter-related, and economic considerations are as fundamental as any in understanding these. The HIV/AIDS crisis that confronts many African nations is complexly entwined with other issues of peace and security, economic development, empowerment of women and governmental strength. Only by considering the macro-economic and social implications of the epidemic, an epidemic that has consistently outpaced all scientific and social scientific understanding, will progress be made in confronting the disease.

Economics and Funding

The report is not a macro-economic study, it is a statement of problems that follows the format of a political manifesto, rather than an analytical document based on a clearly defined academic methodology. Dangers of mis-estimation, double counting and unclear accounting may exist as much in this piece as the Commission's report. The report commits itself to a period of 10 years, with a doubling of funding immediately, and a trebling in 2010. All figures are given in this document as totals for ten years, and then

divided by ten to give annual figures, unless already stated as such by the report. Some commitments, such as for education are planned for only five years.

The report recommends a doubling of aid to Africa to \$50bn p.a. immediately, and to \$75bn p.a., if the first increase is successfully implemented, after 2010. Funding committed for existing multilateral or bilateral programmes cited in the report, but without explicit commitments, are assumed to be unspecified funding. Commitments work on the ratio of roughly 60% specified and 40% unspecified.

This has to be the first criticism of the economics involved in the report. Having set itself a very ambitious task, to provide a solution to every problem cited in a very comprehensive review of Africa's economies, societies and states, the huge difference between promised funding and precisely accounted programming leads to the entirely reasonable assumption that the authors lack confidence about either the likelihood of such mammoth expansions of funding, or on the report's recommendations being enacted, or both. Precise budgeting commitments are needed for such a report to be given credible shape, and for those recommendations where precise budgeting is difficult, the report needed to attempt to put aside a realistic figure for the enactment of any changes, on the explicit understanding that shortfalls would be made from a much smaller unspecified pool of money. The report should, of course, work on the assumption that the increase in aid will stay at \$50bn, and that if an increase to \$75bn happens, the extra money would not be spent before 2010.

The report calls for \$250bn of total extra funding by 2010, and a review into whether this will increase to \$350bn 2010-2015. Total funding, therefore will range from \$500bn-\$650 over ten years, and unspecified funding will range from \$195bn to \$345bn. Specific funding outlined in the report totals \$305.65bn. The report also calls for donor nations to meet the United Nations' development target of devoting 0.7% of GDP to foreign aid by 2015. No G7 nation currently devotes 0.7%, with nations generally varying between one-half and one-fifth of this. If this target was multilaterally reached, it would provide \$229.4bn p.a. in aid, based on combined OECD GDP statistics of \$32.76tn for 2004, and obviously if this commitment were reached by 2015 it would dwarf the \$650bn promised for the ten-year period.

If the 0.7% goal were reached, therefore, Africa would consume 20-25% of total global development aid if the funding recommendations of the Commission were also reached. However, the 0.7% commitment is not due until 2015; even if it were in place now, and we assumed it kept pace with the ride in prices, this needs to rise from a rate of c.0.15%. These are heady promises, but it raises the question of why a separate total funding commitment of \$650bn needs to be promised to Africa, given the presence of the (globally agreed) Millennium Development Goals, and the Monterrey Consensus which committed donors to a 50% rise in ODA 2002-2006, and which probably won't be met. A lack of confidence in these goals, just five years later, provokes the understandable reaction that this report will be no more effective in the rapid acceleration of global development assistance.

This criticism needs to be balanced against the recognition by the Commission that global free trade would write off the necessity of at least \$5bn p.a. of aid flows to Africa, based on existing trade. The economic stimulus of comprehensive removals of trade barriers would, of course, provide an expansion of African industry that could take this figure much higher, and would provide more than just a one-time benefit. The Commission deserves recognition for calling for global free trade, and recognises, at least, that trade is the ultimate answer, rather than aid.

The report makes specific annual commitments, such as \$7-8bn p.a. for education, as well as one-off commitments, such as \$7bn for health infrastructure (not including money for the Global Fund for AIDS, Tuberculosis and Malaria or the Global AIDS Vaccine Initiative). Although annual commitments and lump-sum commitments planned to be deployed on an annual basis are likely to substantively amount to the same thing, as specific commitments are as-often-as-not planned in yearly instalments, it is reasonable to assume that with no enforcement mechanism for any of the report's recommendations, those commitments already planned on an annual basis are less likely to be changed, and those committed as lump-sums- even if a time-frame is specified- are more likely to be enhanced by unspecified money. As it stands, therefore, the Commission can only be specifically held to account for the delivery of \$305.65bn.

A small number of explicit funding commitments, that expire on a deadline before ten years, and will not be renewed (or at least do not have specified renewal), such as the NEPAD Investment Climate Facility , the Polio Eradication Initiative and the AU's Peace Fund are not included in the specified-funding total, and are assumed to belong in the unspecified funding total.

The main economic criticism, that bears repeating, is that for such large amounts of money, and perhaps more importantly for increased political will, to be committed, the recommendations of the report are rather lacking in detail. A situation where a global call for 40% more funding than can be specifically accounted for before spending, seems neither realistic, nor particularly confident in its ability to persuade. It is this last point that is especially important. The report was designed to facilitate progress on Africa macro-economically in its relations with the G7, and thereafter the OECD. A report that itemised every expenditure- or at least gave itemised ranges of funding needed- for its recommendations, could at least claim to be realistic, and could only be turned down by nations comfortable with appearing churlish on the international stage. A report with such an enormous deficit between the amount of money called for, and the outcomes promised, now allows those less well inclined to its recommendations to turn them down.

Finally, the report represents an enormous example of one of the largest and most influential funders (the British government) failing to practice what it preaches. From the point of view of an NGO, the British Department for International Development would not accept a grant application that requested 40% more money than it showed how it would spend, no matter how well it assures that this will be spent prudently and effectively. This, however, is what the report is asking other donor nations to do. At this juncture, it is perhaps appropriate to pose the question: if the British government is so convinced that the report represents a realistic plan of action, would it be prepared to commit to its own recommendations, or at least those it can so unilaterally, and based on its portion of OECD GDP, even if the rest of the G7 won't?

It is fair to claim that this is only a broad set of guidelines, but this is not how it has been sold to people. Critics claimed that that the Commission was too broad in scope to provide critical engagement with all of the detail. The Commission countered that it was time to get ambitious for Africa , to provide integrated thinking, and not to accept the status quo; on which they certainly had a point. Ambition is fine, but this obliges the ambitious to adequately show how they mean to achieve their aims. It is too early to say that the report has failed, but the initial reaction has to be that it has a long way to go to inspire faith in its ability to do so much.

HIV/AIDS

The report makes a major focus on HIV/AIDS, understandably, as part of its section on 'investing in people.' Despite the very Blairite notion of presenting fundamental political challenges in vaguely corporate language, this section is actually very strong in building on the report's stated commitment to 'join-up' action on development initiatives, and seeks in a progressive sense to both support the Global Fund substantively as the main body for disbursing funds for HIV/AIDS, and to support the *purpose* of the Fund, as a body which tackles HIV/AIDS, TB and malaria in an integrated fashion, rather than an atomised one. It even provides money for the Global AIDS Vaccine Initiative (GAVI) ; although at \$5m a year, for ten years, this is unlikely to make much of a difference to the global direction of work on HIV vaccines compared to the money invested into research by the pharmaceutical industry, and even universities and non-profit institutions.

The main proposal that is included in the report is the bow to the growing calls to fully fund the Global Fund for AIDS, TB and Malaria, to the amount of \$5bn pa , from the current figure of c.\$1.5bn. This will release, at least, \$10bn just for HIV/AIDS until 2010, which is the figure that the Global Fund believes will allow it to make progress against HIV/AIDS, rather than just slow its expansion. This provokes the first (qualified) criticism. The working assumption in this document, despite claims to new thinking on the idea, is that money is the major stumbling block to tackling HIV/AIDS. It is not. The Global Fund accounts for only a portion of global spending on HIV/AIDS, with the majority of health services in the area funded bilaterally, and with work on human rights, female and child empowerment, education and mass media largely funded by NGOs and African governments. Progress on HIV/AIDS needs thought on strengthening

democratic systems, bureaucracies, police and militaries, and public financing; extra money, while welcome (the report may make up to \$25bn available until 2015) should actually be of secondary concern.

Which leads on to the second, and main criticism. The report takes the positive step of acknowledging that the largest health problem is that of governance. While making the enlightened acknowledgement that the two greatest weaknesses in African health are capacity and accountability, this misses the point that fundamental progress cannot be made without participation. The evidence in Africa of those nations that have successfully confronted HIV/AIDS, such as Uganda, Senegal or Mozambique, points to the inclusion of governmental and non-governmental groups in mobilising mass action against the epidemic, while nations that have been less successful, or have mixed records, such as Zimbabwe, South Africa and Nigeria, have seen fragmented non-governmental action, governmental dismissal or contempt for the issue of HIV/AIDS, marginalisation and even abuse of those suffering from the epidemic.

What the report does not do, and for this reproach should be excoriating, is explicitly acknowledge that HIV/AIDS is a unique threat to governance, due to the absolute figures of morbidity and mortality, as well as the relative invidiousness of the social shocks provoked by HIV/AIDS, including the erosion of the labour market; increased demand for health services coupled with a declining tax-base; especially high levels of infection in key sectors of societies and economies, including education, health, commerce, transport, the military and governments themselves; and as a threat to the very legitimacy of democratic government, something hard to both quantify and obtain. If the largest health problem is governance, the report does not show this. By focusing on problems of funding, of technical aspects of disease prevention and public health, and of human resources, the report only states the structural problem, rather than suggesting solutions. The report needed to do more than urge cooperation between donors and recipients, as this is not new, and few people would fundamentally disagree with it. It needed to address the structural question of how health providers- donors, governments and NGOs- are held to account by people, and how this democratic process can be maintained in the presence of HIV/AIDS.

The human system of governance is overlooked by the report, which is a mistake, but the physical system of governance- improving those mechanisms by which healthcare is improved, such as investment in physical infrastructure, donations of or funding mechanisms for equipment, and improvement of public health facilities- is boosted by the specific commitment of \$7bn over five years for improving health infrastructure . Ostensibly this sounds like a good amount, in addition to the money spent by donors already on health, but is really the third area in which we have to provide criticism.

A closer look at the figures in the report reveals that the commitment to funding for health is weak, not fully accounted for, nor indeed given a specific sum, rather being spread over several fragmented recommendations, and in no way commensurate with the quantity, coherence and specificity of promises for education, where donors are urged to spend, *in total*, \$7-8bn per year, free basic education is promised by donors until nations are able to support this themselves, and increasing female education is also considered. This needs to be balanced, however, against the specific commitment to channel health resources, initially, through the framework of NEPAD and WHO. This should, at least, provide some African ownership of the process of funding disbursement.

The fourth criticism that needs to be levelled is that on HIV/AIDS, and health more broadly, the report betrays its own lack of confidence in its own recommendations by consistently recommending large ambitious goals- such as fully funding the Global Fund- but then undermining the readers' confidence in the implementation of it's aims by continuing referencing previous commitments, such as to the achievement of the Millennium Development Goals. All of these global agreements say good positive things about Africa 's development, and if properly implemented would probably create a great difference. But a continual need to restate development goals in new reports suggests that those producing recommendations have no idea as to what may be achieved. HIV/AIDS demonstrates this exceptionally. An independent financing facility (The Global Fund) was established in 1999 to redouble efforts on combating the three most problematic epidemic diseases, and a international coordinating body, independent of the overstretched WHO, and headed by an Under-Secretary General of the United Nations (UNAIDS) was established to coordinate and oversee the technical and policy work on HIV/AIDS internationally. Both of these institutions were

established, in part, due to the efforts of the international community in a development process that culminated in the Millennium Development Goals.

What the report does for health is to urge full implementation with the Millennium Development Goals, and specifically goals four (reducing child mortality), five (improving maternal health), and six (combat HIV/AIDS, malaria and other diseases). Sub-Saharan Africa (how the United Nations counts these things) demonstrates low progress on all of these goals, with HIV/AIDS, alone, adjudged to be in the 'stable' category. This, however, masks the reality of stabilising levels of high prevalence rates in Southern Africa, that is mortality levels matching new infections, and prevalence levels in Sahelian and West Africa rising from a low base. This 'stability', given rising levels in Sahelian and West Africa, is likely to end in some years.

International bodies and agreements already exist to combat HIV/AIDS, and whether perfect or imperfect, they are representative of an international will to confront the epidemic. The production of a new report suggesting that these need to work better, or receive more support, at best contributes nothing to the process, and at worst contributes to the impression (fairly or not) that these international bodies and agreements are starting to fail. The Global Fund does have its problems, not least by trying to force huge sums of money through a system with limited capacity to administer this, and UNAIDS can be accused of sluggishness, and a conservatism in the sort of work it does, but a report giving vague assurances of the good work of these bodies, and promising huge sums, but giving little break-down of where this would go, isn't so much supporting these bodies as damning them with faint praise.

The fifth criticism is that whilst promising progress on the development goal of 15% of government expenditure on health by 2015, which superficially would make healthcare the best funded of all the sectors covered in the report, this puts funding into a box by itself again, assuming that more money will create more benefit without addressing the very structure of why the problems exist in the first place. The 15% commitment has existed for some time, was included in the Millennium Development Goals, and smacks, again, of desperation given it needing to be stated. The problem here- especially pertinent for HIV/AIDS, which needs consistent and coordinated planning- is not how much the system for reforming African healthcare is going to cost, but how the system is chosen. This systemic failure (a focus on the outputs of the epidemic: numbers dying, healthcare professionals available etc.; rather than on inputs of the epidemic: the social structures that encourage HIV/AIDS to proliferate and become entrenched) will see prevalence levels increase, and greater funds being needed to fight the epidemic.

HIV/AIDS, in short, demonstrates how the report does not change the orthodoxy in having donors provide money and solutions, and recipients providing problems and passivity. Nowhere in the report are the solutions found in Uganda, Senegal and Mozambique, despite being repeatedly cited, attributed to local ownership of the problem, and local persistence in prosecuting action on the disease even in the face of opposition from donors. Good credit is given to the right leadership, brave activists, and public campaigns at reducing stigma; but nowhere is recognition given to the fact that successful interventions against the epidemic, in Senegal and Uganda especially, occurred despite a lack of external assistance, on their own nations' terms, and only when successes were apparent did the money start arriving. This is not an argument for the suspension of assistance for HIV/AIDS, it is an argument for African policy-makers and activists to fix the systems through which the problem will be confronted, learn from successful interventions, and then tell the donor community what they need.

The report of the Commission represents a 'house of cards' with commitment piled upon commitment that if all fully funded and properly implemented would create real differences in people's lives. However, if these are not fully implemented, the report will live on as just another statement of problems. HIV/AIDS is the crucial example of an issue where cross-sectional problems need to be considered in order to create progress. The report is progressive in recognising the uniqueness and cross-cutting nature of AIDS, but its conclusions are problem led, not solution led; and the danger remains that an expansion in funding will only end-up meeting the increase in numbers of people living with HIV/AIDS, and the problem will not be altered in structure. A solution-led report would have considered what an Africa without HIV/AIDS would look like- one of well-functioning democracies, capable of solving problems and retaining trust even in the

presence of HIV/AIDS; that will result in governments changing by democracy, not violence, when politicians fail to solve the problems posed by AIDS; an Africa where both public and health services are well-run and supported by African-earned tax receipts; where foreign donations are made at the request of Africans, rather than decided in London, Paris and Washington; and made to fit not donor priorities, but rather the technical requirements proposed by well-informed and engaged public health officials and workers on the ground.

Refernces

1: The figures cited here are compiled by a non-accountant, using only the figures in the report, and information on OECD economics from that organisation

2: 'Our Common Interest' Report of the Commission for Africa ; pp.327

3: This is the author's rough estimate of the subtraction of all the individual funding commitments made, at the higher figure if on a range, from the total amount of funding for ten years, assumed aid doubles in 2005 and trebles in 2010.

4: 'Our Common Interest' Report of the Commission for Africa ; pp.328

5: OECD Figures from the OECD statistical division, www.oecd.org. These figures are based, of course, on the assumption that all donor targets and statistics will remain based on the assessment of the combined economies of the OECD.

6: World Bank; <http://www.developmentgoals.org/Partnership.htm>

7: 'Our Common Interest' Report of the Commission for Africa ; pp.291

8: Ibid.; pp.208

9: Ibid.

10: Ibid.; pp.243

11: Ibid; pp.209

12: Ibid; pp.167

13: 'Our Common Interest' Report of the Commission for Africa ; pp.209

14: Ibid.

15: A range of literature exists here: de Waal (2002) 'How will AIDS Transform African Governance?'; Barnett and Whiteside (2002) 'AIDS in the Twenty-First Century: Globalisation and Disease'; Kalipeni, Craddock, Oppong and Ghosh (eds.) 'HIV and AIDS in Africa , Beyond Epidemiology'; to name just three.

16: 'Our Common Interest' Report of the Commission for Africa ; pp.209

17: 'Our Common Interest' Report of the Commission for Africa ; pp.208

18: Figures from Millennium Development Goals Progress Report 2004; New York

19: 'Our Common Interest' Report of the Commission for Africa ; pp.208