RESOURCES AND FUNDING FOR AN EFFECTIVE AIDS RESPONSE

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#HLM2021AIDS
We now have an ambitious and bold Political Declaration adopted by member states. I agree very much with Global Fund Executive Director Peter Sands that in 40 years since the first reported cases of AIDS and since the historic first UN General Assembly Special Session on AIDS, there’s been a lot of progress made and much to celebrate.

But since that time, inequality within and between countries has exploded and the COVID crisis is making things much worse. Only if we are bold in tackling inequalities and in ensuring the needed financing, will we end AIDS as a public health threat by 2030.

Most developing countries where the burden is highest are facing severe fiscal crisis, with a revenue loss above 20% in 2020 and health budgets under threat, with Africa under especial pressure. At the time of crisis, it’s a time to increase revenues. And that requires five things in my view:

- First, at the global level, we need to put an end to tax dodging and harmful tax competition that empty public coffers. Right now, we lose a nurse’s yearly salary to tax heavens every second. We welcome the G7’s historical decision to establish a universal 15% floor for corporate taxation. That is important, but it’s only a first step because it needs to increase and it also needs to become a global agreement so that every country is protected and able to collect the taxes that are due. The greatest losers to tax dodging and harmful tax competition are the developing countries who need most the resources for their health system.

- Secondly, even before COVID, many low-income and middle-income countries were already highly indebted, some were in debt distress. This is a time of crisis. We need to see that there is an inclusive and fair debt crisis resolution mechanism. What has been put down as debt relief is too little for the developing countries to get out of this crisis.

- Third, we need to step up, not step back on the commitment to AIDS as 0.7% of gross national income by the developed countries. This is not the time to step back. This is the time to step up with global solidarity.
And fourth, there is a recognition of a need to expand fiscal space. The international financial institutions have agreed on a historical issuance of special drawing rights of $650 billion. But only 3.3% of those resources, that’s $22 billion is set to flow to sub-Saharan Africa, the region with the highest burden of HIV and of infectious diseases. This is the region most in need. The amount that is going to come to the African countries is even smaller than the external debt repayments scheduled for 2021. There’s a need for the G-7 as they come together to look at how to have a fairer distribution of the special drawing rights resource flows. We have estimated that we need 29 billion dollars annually to provide the HIV services needed globally. And this is the target to reach in five years time. This is not a huge amount of money when you consider that developed countries are putting trillions of dollars into the recovery of their own economies for the recovery from the COVID pandemic now. It is achievable if there is political will and global solidarity.

The fifth and last action is what David Wilson talked about. Developing countries, countries with a high burden of HIV need to prioritize human capital investments, investments in health, education and social protection as key for lifting everybody out of this crisis and key also for protecting economies. In order to get out of this crisis, in order to end AIDS, we must put more investments in strengthening our health systems, and ensure health system that are inclusive, work for everybody and leave no one behind. We must stamp out waste and corruption in our systems so that every dollar is spent for the health of our people.

Those are the five things that I would put down as key for us to be able to end AIDS by 2030. Together, we can achieve this. Together with global solidarity and with the path laid out in the political declaration, we will be able to defeat AIDS by 2030.

Thank you.