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INTENSIFYING ACTION AGAINST HIV/AIDS: RESPONDING TO A DEVELOPMENT CRISIS

Attached for the April 17, 2000 meeting of the Development Committee is an issues note on Intensifying Action against HIV/AIDS: Responding to a Development Crisis prepared by World Bank Staff as background to item 1.A of the Provisional Agenda.

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HIV/AIDS represents a serious crisis for development in large parts of the developing world, where it is rapidly reversing the social and economic achievements of the past half century. The epidemic now poses the foremost threat to development in Sub-Saharan Africa, a growing threat in Asia and the Caribbean, and a probable threat in some Eastern European countries. This paper summarizes the impact of HIV/AIDS, explains the importance of acting fast, and seeks the engagement of Development Committee members in a strategy by which the international community could help stop the further spread of the epidemic while alleviating its effects.

The Explosive Epidemic of HIV/AIDS

1. The HIV/AIDS epidemic has spread with ferocious speed. Virtually unknown 20 years ago, HIV has now infected 50 million people worldwide. More than 16 million have died—2.6 million in 1999 alone. Today, 34 million people are living with HIV/AIDS, over 95 percent of them in developing countries. AIDS is already the fourth-leading cause of death in the world, and the leading cause in Sub-Saharan Africa. Yet despite heightened awareness and a mounting death toll, the growth of the epidemic continues unabated. Each day, over 15,000 people—approximately half between the ages of 15 and 24—are newly infected.

2. The effect on social outcomes has already been extensive. In the most-affected countries, HIV/AIDS is swiftly dismantling the development achievements of the past 50 years. *Life expectancy* is now declining in a host of countries after decades of progress. In several nations it is already 10 years shorter because of HIV/AIDS. In the hardest-hit countries such as Botswana and Zimbabwe, it will soon be 17 years shorter than it would otherwise have been. *Adult mortality rates* have risen by 50 percent in many countries and 100 percent in those most affected by AIDS. *Child mortality rates* in many countries have doubled, and could double again if HIV/AIDS continues unchecked. And the rapid rise in adult deaths is leaving an unprecedented number of *orphans*—11.2 million worldwide, 10.7 million of them in Africa alone. Before AIDS, one in 50 children in the developing world was an orphan. Today as a result of AIDS, in some countries the rate is one in ten.

3. ***AIDS is a global epidemic***. In 1982, there was only one country (Uganda) with an HIV prevalence rate[1] as high as two percent in the general population, along with a much higher rate in certain "at-risk" population groups (*e.g.* commercial sex workers, truckers). Today there are 21 countries with prevalence rates of more than seven percent, and many other developing and transition economies are now where Uganda was in the 1980s—at the dangerous early stage of the epidemic. The behavior of HIV is such that once the prevalence rate reaches around five percent in the general population, the virus spreads very fast. What has happened in these 21 countries now threatens to happen in many other developing and transition economies if action is not taken while the epidemic is young.

[1] The HIV prevalence rate refers to the percentage of all adults age 15-49 who are HIV-positive, which is the standard definition for the scope of the epidemic in a country. In this paper, the terms "HIV prevalence," "HIV rate" and "adult HIV rate" are used interchangeably.

4. ***Sub-Saharan Africa*** has experienced the most severe impact so far. The 13.7 million Africans who have died account for 85 percent of the global toll from AIDS, and another 23.3 million are living with HIV/AIDS. In at least five countries, more than 20 percent of adults have HIV. Africa's burden has resulted from conditions that allow the virus to spread—notably poverty, dilapidated health systems, and a high level of untreated sexually transmitted infections. But *inaction* has also played a crucial role. Although prevention strategies were known years ago and many measures were taken on a small scale, very few countries or their international partners have taken sufficient action to slow the spread of HIV. The lessons from Africa, both positive and negative, now urgently need to be applied to the other regions where HIV/AIDS is rapidly advancing.

5. *South and Southeast Asia* is the second most-affected region. HIV/AIDS came relatively late to the area, but has already killed more than one million people. India has the largest number of persons living with HIV/AIDS—nearly four million—and the virus has appeared in new Indian states in the past two years. HIV rates in Cambodia now exceed two percent among adults and 40 percent among commercial sex workers (a key leading indicator of rates in the general population). In Myanmar, the adult HIV rate is approaching two percent and has already surpassed 20 percent among commercial sex workers. Leading indicators are also troubling in Bangladesh and Vietnam.

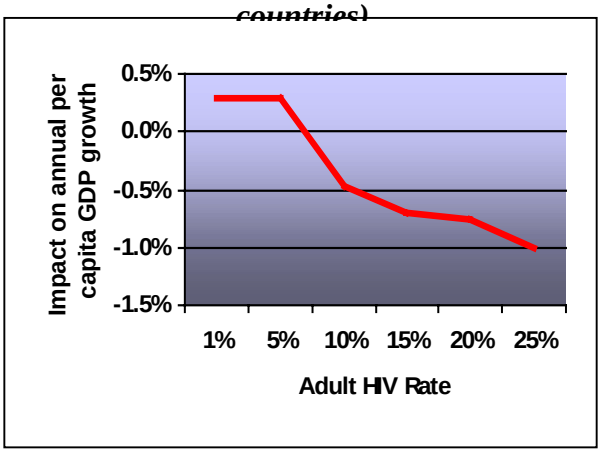
6. ***Eastern Europe and Central Asia*** show the most worrisome trend. Half the people now living with HIV/AIDS in this region have been infected in the past two years alone. In 1999, the fastest growth of HIV anywhere took place in Russia. Unlike in Africa and Asia, intravenous drug use (IDU) is the primary mode of transmission in this region for now. Typically, however, IDU fuels the early growth of the virus, which then becomes sexually transmitted and spreads among the general population. The fact that HIV has grown so rapidly in a region where awareness is high underscores that awareness alone is insufficient; support for behavior change must follow.

<u>The Economic and Social Impact of HIV/AIDS</u>

7. The epidemic poses a great threat not only to public health, but to development itself. The World Bank has identified the following factors (among others) to be essential in promoting development and poverty reduction: macroeconomic growth; good governance; human capital development; a favorable climate for private investment; and growth in labor productivity. By undermining each of these, HIV/AIDS is increasingly impeding development. In the worst-hit countries, otherwise sound public and private investments are already proving uneconomic and unsustainable as a result of the epidemic. While many other diseases also kill millions, HIV/AIDS is virtually unique in its impact on the economic and demographic underpinnings of development. Because it weakens and kills adults in the prime of their lives as workers and parents, it erodes productivity, decimates the workforce, depletes the skills base, consumes savings, orphans millions and changes the very structure of households. Many of the following examples come from Africa, because that is where the epidemic and its impact are most advanced. But they are indications of what could happen across the developing world if HIV/AIDS continues to spread.

8. ***AIDS and the economy***. Recent World Bank estimates suggest that HIV/AIDS has a substantial negative impact on economic growth. This relationship was difficult to discern when rates were lower, but it now appears that the economic impact grows as the epidemic advances.[2] Figure 1 shows the most conservative estimate of the epidemic's impact on economic growth in 75 countries; the actual impact may well be greater. As long as prevalence remains below about five percent, annual per capita economic growth is minimally affected. As prevalence rises, per capita growth can be expected to decline. When HIV prevalence reaches eight percent—about where it is in 21 African countries today—the cost in per capita growth is estimated to be about 0.4 percentage points per year. Compared to historical performance in Africa, such losses are significant. Annual per capita growth in Africa as a whole for the past three years has been about 1.2 percent, for instance. In countries such as Zimbabwe where the HIV rate exceeds 25 percent, annual per capita growth is at least a full percentage point lower than it otherwise would be, because of HIV/AIDS.

Figure 1. ***Estimated impact of AIDS on annual per capita growth, 1990-97 (75 countries)***



9. The fiscal cost of HIV/AIDS is also significant. One year of basic treatment for a person with AIDS costs an estimated two to three times per capita GDP in *medical* costs alone. Most of these costs are typically borne by the public sector, which faces difficult choices. As the number of AIDS cases increases, so does the cost. In a country with HIV prevalence of 15 percent, the estimated budgetary cost of prevention and basic care could rise from 2.5 percent of GDP today to 6.0 percent by 2010. For most countries, this would imply a substantial worsening of the fiscal deficit.

10. ***AIDS and the production sectors***. In general, it is the 15-49 age group that is disproportionately affected by the HIV/AIDS epidemic. Through its impact on the labor force, HIV/AIDS diminishes productivity just as developing countries need to become more competitive to cope with rapid globalization. All sectors are affected. For example:

- Agriculture. HIV/AIDS reduces investments in irrigation, soil enhancements, and other capital improvements, thereby inhibiting agricultural production. Households are shifting from more nutritious foods to less nourishing but less labor-intensive crops. The epidemic is forcing families to make irreversible decisions to sell livestock, equipment, and land to cover AIDS-related costs. HIV/AIDS illness and care also siphon time away from vital farm work.

- Private sector development. HIV/AIDS is undermining private sector development by removing skilled labor, increasing expenditures, and reducing revenues. Nearly 19 percent of all skilled laborers in South Africa will have HIV by 2015, according to a new report by ING Barings. On one sugar estate in Kenya where 25 percent of the workforce was HIV-positive, company spending on funerals increased 500 percent and direct health expenditures rose 1,000 percent in eight years. At

[2] This result is derived from cross-country regressions of GDP growth rates as a function of country-specific policy ratings and other parameters, including life expectancy, to control for the different starting conditions of each country. Combining these results with demographic projections of the impact of AIDS on life expectancy and population growth yields the estimated impact on per capita growth.

the same time, productivity fell by half in four years. In Madras, India, a study of large industries projected that absenteeism would likely double over the next two years because of sexually transmitted infections and HIV/AIDS. At the firm level, higher labor costs are diminishing scope and incentive to invest in training.

11. ***AIDS and the social sectors***. AIDS overtaxes social systems and aborts the health and educational development that the poor (especially children) need to escape poverty:

- Education. Across Africa, HIV/AIDS has drained skilled manpower in every sector, which was scarce to begin with. Teachers and students are dying or leaving school because they can no longer afford it, have fallen ill, or because they are needed at home to work or care for the sick. Illness and deaths of students and teachers will reduce both the quality and efficiency of educational systems. In some countries more than 30 percent of teachers are living with HIV/AIDS, and more now die each year than graduate from teacher training programs. Moreover, faltering education also diminishes human capital for the future in every other sector. Girls' education—a critical factor in development—is particularly vulnerable to HIV/AIDS.

- Health. Health care systems in many countries are stretched beyond their limits as they deal with a growing number of AIDS patients and the loss of health personnel to illness and death. Once HIV prevalence reaches five percent, demand for medical care is estimated to rise by at least 25 percent and to increase faster than government is able to supply it. In Cote d'Ivoire, Kenya, Zambia, and Zimbabwe, HIV-infected patients occupy 50-80 percent of all beds in urban hospitals, crowding out other patients and consuming scarce health care resources. AIDS also has large negative externalities for people who are HIV-negative. The epidemic has already sparked a resurgence in tuberculosis (TB) in Africa after years of decline. In some countries, TB cases have risen 500 percent from where they stood before HIV/AIDS.

12. ***AIDS and governance***. Many developing countries depend crucially on a small number of policy makers and managers for the overall operation of government. Tax and customs administration, legal systems, central banks, finance ministries, schools, hospitals, public utilities and sectoral planning departments all rely on such officials, whose skills are typically scarce. Such personnel are now being rapidly depleted by HIV/AIDS. In South Africa, for instance, 15 percent of civil servants are living with HIV/AIDS. The loss of these key officials is further reducing capacity, which is weakening the prospects for good governance while raising the costs of recruitment, training, benefits, and replacements.

13. ***AIDS and gender.*** Women in general, and girls in particular, are biologically and socially more vulnerable to HIV/AIDS and are disproportionately infected and affected by the epidemic. In some countries, for every 15-19 year-old boy who is infected, there are six girls infected in the same age group. Women and girls also bear the greatest burden of care; families often take girls out of school to care for sick relatives or assume family responsibilities, jeopardizing recent gains in health, nutrition and girls' education. This has an especially detrimental impact on girls' development, which in turn makes them more vulnerable to HIV infection. Girls out of school are less likely to obtain the earning power to increase their economic independence, and more likely to have to resort to commercial sex work. They are also less likely to develop the confidence and knowledge to make sound decisions about their sexual health.

14. ***AIDS and poverty***. HIV/AIDS particularly targets the poor. The epidemic has overwhelmingly hit the world's poorest countries and those with the greatest disparities of income. Although people at all income levels are vulnerable to HIV, the poor have suffered the most economically, as the costs of care, foregone income and funerals are substantial. The poor also have less access to basic health care and are

more likely to have to resort to commercial sex and other survival strategies that put them at risk for HIV. The epidemic has been found to exacerbate both income inequality and absolute poverty.

The Importance of Acting Fast

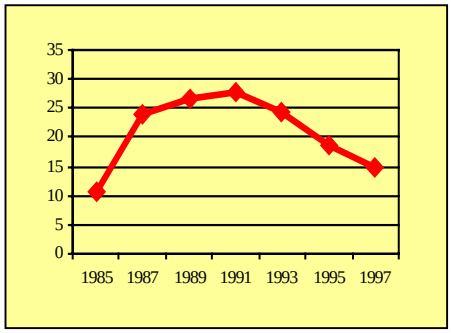
15. The tragedy of this epidemic is compounded by the fact that it is preventable. Despite the lack of a vaccine, behavior change has been proven a highly effective means of reducing HIV transmission. Young people (particularly under age 15) are especially receptive to learning safe behavior messages and skills. Since very few persons at this age are infected, they represent a window of opportunity to prevent HIV/AIDS from afflicting future generations. There is broad consensus and abundant evidence on the impact of behavior change. Early and aggressive action against the epidemic has paid dividends in several settings:

- In Uganda, where the government has led a strong campaign, HIV fell significantly among pregnant women and young people ages 15-24 in urban and peri-urban areas.

- In Senegal, enlisting all key actors in a timely prevention campaign has helped maintain one of the lowest HIV infection rates in Sub-Saharan Africa.

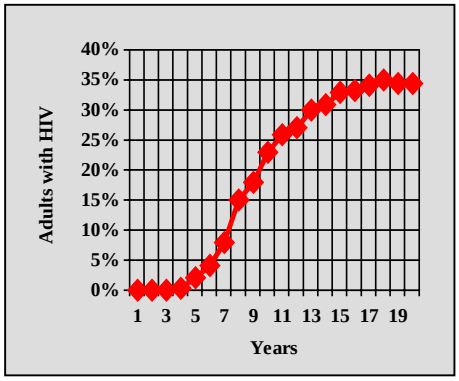
- Asian countries have mounted some of the most effective prevention programs. Rates among pregnant women and military conscripts in northern Thailand fell sharply in four years following concerted prevention efforts. The Indian state of Tamil Nadu launched a safe behavior campaign and saw steep reductions in risky behavior in two years.

Figure 2. ***HIV rates in urban Uganda fell sharply after preventive programs were put***



16. Prevention not only averts suffering and death, but pays vast dividends in future savings to the health system and the public sector at large. Cost-effective interventions such as greater use of condoms, public information programs, and treatment of sexually transmitted infections cost as little as $8 per infection averted, compared to the hundreds of dollars that each case of AIDS costs to treat.

Figure 3. ***Typical spread of HIV in a southern African***



17. **Early action is vital. Once it passes a certain threshold, HIV spreads extremely fast. As Figure 3 illustrates, it can increase tenfold in five years, as it has in several southern African countries. The more widely HIV/AIDS spreads, the more difficult and costly prevention and treatment become. In Sub-Saharan Africa, it is estimated that a national program would cost less than $3 per capita while prevalence remained below five percent. Once rates reach 15 percent, however, program costs could be $12 per** capita or more. The longer the introduction of programs is delayed, the greater the likelihood that the epidemic will grow exponentially.

18. Countries therefore face two policy options: (1) delay while prevalence remains low and face far higher expenses once it is widespread; or (2) take comprehensive action early on. Since a strong

HIV/AIDS program would be multisectoral, the costs could be spread among several ministries, agencies, civil society, and private actors.

Building an Effective National Response

19. Every nation threatened by HIV/AIDS must lead its own response. There is no substitute for strong national commitment and ownership. Building an effective national response requires an enabling environment and the necessary resources to bring proven interventions quickly up to nationwide scale. In many countries, it is government that creates such an environment so that all sectors of society can contribute. Many governments have initiated a limited response to HIV/AIDS. Few, however, have brought it to the nationwide necessary. Governments of all vulnerable countries (with their partners) need to expand and intensify their responses rapidly, and to address HIV/AIDS as a multisectoral development issue—not only a health concern.

20. In too many countries, however, there is still official denial or silence surrounding the epidemic. Some governments are unwilling to acknowledge that certain practices such as commercial sex work and intravenous drug use exist in their country. Some are reluctant to tamper with practices that are part of "cultural norms," such as female genital mutilation, even when these place people at higher risk of HIV infection. Some will not address sensitive issues such as sexual behavior by adolescents because of traditions and fears. Since these concerns arise from particular cultural contexts, they can only be overcome by customizing strategies to be culturally appropriate. Governments need to lead a major change in attitudes, to break the conspiracy of silence, and to scale up national responses. Seven actions are fundamental:

21. ***Increase Government Commitment, Attention, and Funding***. Strong government commitment has proved essential in every country that has made headway against the epidemic. This calls for bold political action and leadership, not merely tacit approval of public HIV/AIDS interventions. Leaders need to speak openly about HIV/AIDS, overcome taboos, and place the epidemic at the center of their development agendas. Each country at risk needs a multisectoral national program with adequate funding. To ensure such funding, governments need to re-examine spending priorities in light of the rapidly growing costs of AIDS, and reallocate accordingly. But government can also leverage existing programs (*e.g.* education, agricultural extension) by integrating HIV/AIDS into them at modest cost. Management of national programs belongs in the highest office of government to ensure the power, resources, flexibility, and effective coordination to act multisectorally.

22. ***Scale Up Prevention Activities***. Governments and their partners need to expand proven interventions to a scale large enough to reach all vulnerable individuals. Because of scarce resources, this calls for setting priorities and focusing on a core set of activities that have proven effective and feasible, including: *behavior-change communications* that move audiences from awareness to risk-reducing behavior; making *condoms, treatment of sexually transmitted infections, and voluntary counseling and testing* more accessible; ensuring a *safe blood supply*; and reducing HIV *transmission from mother to child*. Gender-sensitive programs need to be developed to build women's awareness and empowerment. To ensure effectiveness, governments need to work in partnership with persons living with HIV/AIDS, community groups, religious organizations, NGOs, health professionals, and the private sector.

23. ***Scale Up Care Activities***. Governments also need to develop strategies to care for and support the vast numbers of people who are infected and/or affected by HIV/AIDS. Given that the costs of life-prolonging triple-drug therapy are currently out of reach for virtually all developing countries, governments will need to focus on effective treatment for the opportunistic infections that afflict persons

living with AIDS. In addition, governments and their partners need to mount programs to care for the millions of orphans and other vulnerable children where extended families can no longer bear the load.

24. ***Support Community-Level Prevention, Care and Support.*** In many countries, the scale of the epidemic exceeds government's capacity to address it. In all countries, communities play a decisive role against HIV/AIDS because of their capacity for social mobilization, their awareness of the local cultural and social context, and their daily influence on the lives of their members. Communities, NGOs and community-based organizations (CBOs) therefore need to receive direct financial support to act at the local level, where the public sector is often less effective. Communities also have a vital role to play in HIV/AIDS care, since long-term hospital care is not affordable or even possible in most developing countries. Strategies to provide high-quality community and home-based care need to be developed. Since it is usually in the best interests of orphans to remain in their extended family or community, innovative support to communities will be important in this respect as well.

25. ***Integrate HIV/AIDS into Poverty Reduction Strategies***. Poverty and HIV/AIDS form a vicious circle. Poverty can drive people to leave their families to find work or into commercial sex for economic survival, placing them at high risk for HIV infection. HIV/AIDS, in turn, can drive a household deeper into poverty. It is therefore important to address the socioeconomic factors that make people vulnerable to HIV and to mitigate the impact of AIDS on poor households. Poverty reduction policies and programs can prevent people from adopting risky survival strategies and mitigate the financial impact of HIV/AIDS. Poverty Reduction Strategy Papers (PRSPs) need to address the structural factors that have been found to increase people's vulnerability to HIV/AIDS.

26. ***Support More Research***. Continued research is needed into the cost of HIV/AIDS treatment and care alternatives, the sectoral impact and costs of the epidemic, and the effectiveness of existing prevention tools in different cultural and infrastructure settings. Leaders in each sector will continue to view HIV/AIDS as a health issue unless they see the potential impact on their sector and the comparatively low cost of intervention.

27. ***Make Policy Changes to Mitigate Public and Private Impact.*** AIDS is shrinking capacity in the public sector and imposing new social welfare burdens as families collapse. Countries need to explore innovative ways of rebuilding capacity in government, as well as changes in labor and social legislation and new means of delivering social services to aid the growing number of households headed by orphans.

Building an Effective International Response

28. Developing country governments cannot overcome the HIV/AIDS challenge alone. Given the scope of the epidemic, its costs, widespread denial, and sensitivities, sustained support from all development partners will be required. Two overarching goals should guide this support. For the present, the goal is to replicate what has been proven to work—that is, *to help every country at risk to establish an appropriate national HIV/AIDS program comprising basic prevention, basic treatment, basic care, and mitigation tools*. This is the minimum needed to prevent the epidemic from spreading further and to begin reversing it where it is already widespread. For the future, the goal is an effective HIV vaccine. Because such a vaccine will not likely be available for at least 10-15 years, however, no country can afford to delay strengthening its prevention and care programs. To help achieve these goals, no single step will suffice. What is needed is a balanced combination of advocacy, incentives, disincentives, funding, and policy support. This will call on the international community for strong partnerships and coordinated action.

29. The international effort is led by the Joint United Nations Programme on HIV/AIDS (UNAIDS), which comprises seven UN cosponsors.[3] With the guidance of the UNAIDS Secretariat, the cosponsors coordinate their assistance to countries addressing the epidemic. This division of labor allows each cosponsor to focus on its comparative advantages and thereby hastens and strengthens international support. The UNAIDS cosponsors have also launched the broader International Partnership Against HIV/AIDS in Africa. This Partnership joins the UNAIDS cosponsors with African governments, donor countries, the private sector, NGOs, and people living with HIV/AIDS. Its goal is to help all African countries put comprehensive national programs in place within a few years under the leadership of the government.

30. **The Role of the World Bank.** The World Bank brings four primary comparative advantages to UNAIDS and the Partnership: (1) Strong influence on the global development agenda; (2) Involvement in virtually all sectors; (3) Ability to support large scaling-up of effective programs; (4) Economic expertise. The Bank has recently adopted a comprehensive new approach to bring each of these strengths to bear on HIV/AIDS. In full collaboration with the UNAIDS Secretariat, the Bank is treating HIV/AIDS as a multisectoral development issue and according it top priority in development policy, dialogue with all sectors of government, planning, analysis, and lending. The Bank's president has corresponded with heads of state on HIV/AIDS. The Bank's senior managers have begun highlighting the issue in some high-level appearances and meetings. Administrative resources have been reallocated, and HIV/AIDS projects have been put on a fast track. From a corporate perspective, the Bank will review the situation every six months to maintain momentum and focus corporate interest continually on the issue.

31. The Bank is acting at both regional and corporate levels to strengthen its support to prevention, care and research. At the regional level, it is taking several steps to integrate HIV/AIDS into both lending and non-lending services. The Africa region is retrofitting its current portfolio to include prevention and mitigation components in as many sectors and projects as possible. A multisectoral AIDS Campaign Team for Africa (ACT*africa*) has been established under the office of the Africa Regional Vice Presidents. ACT*africa* is designing a flagship regional IDA operation to expedite support to HIV/AIDS programs throughout Africa, including innovative forms of funding which will put resources directly in the hands of communities. This operation should reach the Board in the first half of fiscal year 2001. ACT*africa* is also spearheading the incorporation of an AIDS impact assessment module into the Bank's environmental assessment process, and HIV prevention requirements into the Bank's standard procurement requirements for civil works. Economic work is underway to better assess the macro and micro impacts of the epidemic at various stages. Africa country teams are incorporating HIV/AIDS into development planning, HIPC, PRSPs, Country Assistance Strategies, and into projects such as social funds and community action projects. And they are rapidly identifying opportunities to support more comprehensive AIDS programs wherever possible.

32. While the Bank will continue to regard Africa as a funding priority, it is also boosting its support to other regions. Last fiscal year, the Bank approved major HIV/AIDS projects in India and Brazil as a follow-up to earlier projects, and is now developing projects in Russia and Ukraine.

33. At the corporate level, the Bank is using its knowledge and influence to help provide more tools against the epidemic. For instance, the Bank is part of a UNAIDS task force mandated to work with pharmaceutical companies to find ways of making anti-retroviral drugs more available in the developing world. The development of an HIV/AIDS vaccine would produce immense benefits, particularly for the

[3] The UN International Drug Control Programme (UNDCP), the UN Development Programme (UNDP), the UN Educational, Scientific, and Cultural Organization (UNESCO), the UN Population Fund (UNFPA), the UN Children's Fund (UNICEF), the World Health Organization (WHO), and the World Bank.

poor and the developing world. As an international public good, however, such a vaccine is unlikely to come to market without concerted action by international donors. Accordingly, the Bank has been an active member of the Global Alliance for Vaccines and Immunizations (GAVI)—a network comprising interested governments, UNICEF, WHO, bilateral agencies, the Gates Foundation, the Rockefeller Foundation and other partners to complement the work of the International AIDS Vaccine Initiative (IAVI). Over the past year, GAVI has met with 180 individuals and institutions to ascertain the pharmaceutical industry's views on HIV vaccine research and development, potential demand, and institutional responses that could be used to ensure future markets for a vaccine in developing countries.

34. **The international community** *has also intensified attention to the epidemic. Several bilateral donors have recently stepped up their efforts, and the UN Security Council has held a historic session on HIV/AIDS. This reflects the growing consensus and alarm over HIV/AIDS. To convert this consensus into an effective response to HIV/AIDS* as a development issue*, there are six specific actions the international community needs to take:*

(1) Mainstream HIV/AIDS into the development agenda and aid programs. Donors and international agencies need to make HIV/AIDS a standard element of the core development and aid agenda. The far-reaching ramifications of the epidemic have to be integrated into both macro and sector planning and analyses, as well as in PRSPs and the HIPC Initiative. Countries with high HIV rates (*i.e.* greater than five percent) will need help preparing to cope with the social challenge that care will pose. Capacity will need to be sustained and frequently replenished, and means found to maintain human capital. The regressive impact of HIV/AIDS will present new challenges for anti-poverty policies. Countries with lower HIV rates (*i.e.* less than five percent) will need help in mounting programs beyond the health sector and in keeping tight surveillance.

(2) Enhance and sustain advocacy for action on HIV/AIDS. The international community must use its collective voice to encourage greater attention and action on the epidemic. Advocacy at the global level can help position HIV/AIDS as a development issue, raise more resources for the effort, improve the international policy framework on issues such as procurement and pharmaceuticals, and encourage greater private sector participation. External actors can also stress the importance of national leadership in the HIV/AIDS effort. In developing countries where the response is sound but small, advocacy can accelerate scaling up of the many interventions known to work. In countries where government remains reluctant to address HIV/AIDS, partners can use their development dialogue to encourage greater commitment. In countries where the HIV rate remains low, advocacy can help stimulate early action to keep it that way.

(3) Build capacity of developing and transition economies to prevent HIV, to care for persons living with AIDS, and to care for orphans. The impact of the epidemic will be felt for at least a generation to come. Building the capacity of health, education and social support systems to cope over the long term and replacing the skilled manpower that is being eroded will be essential to limiting the consequences of HIV/AIDS. Capacity building will need to focus on the public sector, private sector, and civil society alike.

(4) Leverage more resources for the HIV/AIDS effort at national *and* community levels. While funding alone will not stop the epidemic, the resources currently dedicated to HIV/AIDS are far too limited to support expansion to the scale required. In 1997, external support for HIV/AIDS in the developing world amounted to $300 million, or 0.7 percent of all development assistance. The total estimated annual cost for basic prevention in Sub-

Saharan Africa would be approximately $1.0-2.3 billion. Both financial and technical resources need to increase substantially. Concessional and grant funds will be especially important to avoid adding to the debt burden of affected countries. Technical resources will also be needed to help countries build expertise in research, planning, implementation, and evaluation. A larger share of HIV/AIDS funding needs to be allocated directly to communities and local NGOs, which are doing some of the best work in HIV/AIDS and will play an indispensable role, especially in caring for the infected and for orphans. Global agencies can also help by harmonizing administrative arrangements and simplifying procurement, disbursement, and accounting. At the same time, even the resources currently available have not been used to the extent possible. There is no shortage of IDA funds, for instance, but demand for HIV/AIDS support from IDA has been modest at best. Developing countries need to reallocate more of their own resources, increase the effectiveness of current HIV/AIDS assistance, and make greater use of current resources.

(5) Stimulate the development of vaccines and microbicides. Current market incentives may not be enough to induce industry to develop vaccines that will be affordable and effective in developing countries. To address this, the International AIDS Vaccine Initiative, GAVI and others have been exploring ways of accelerating development of an AIDS vaccine for developing countries. To succeed, this effort may ultimately require innovative financial instruments as well as legal and institutional policy changes. Although an effective vaccine is probably years away, research is far more advanced on microbicides (substances to kill sexually transmitted infections on contact). Since far more women are infected than men in Sub-Saharan Africa, woman-controlled methods of HIV prevention could reduce both overall infections and the disproportionate burden of infection on women. The international community needs to give priority to enhance the development, clinical testing and accessibility of microbicides and female condoms to help women protect themselves from HIV.

(6) Strengthen partnerships. Because HIV/AIDS affects so many aspects of development, external actors must work in unprecedented partnerships with civil society and the private sector under the leadership of governments to exploit the comparative advantage of each. Support must be well-planned and coordinated to enhance synergy and avoid duplication of effort. Bureaucracy should be minimized and processing of aid dramatically accelerated. Most of all, a concerted effort to break the silence surrounding HIV/AIDS needs to be made and consolidated action taken very early in the epidemic.

Issues for Committee Consideration

- *Ministers may wish to comment on the development impact of HIV/AIDS in their own countries' experiences.*

- *What advice do ministers have on how governments can help to change attitudes and increase awareness? Do ministers also have advice on how best to help bring about the coordinated action within governments needed to overcome this epidemic? Are there important issues and differing viewpoints not addressed in this short paper which ministers must confront?*

- *What priority would ministers assign to the different actions set out in the paper, and what activities do they think governments should scale back to make room for more action on HIV/AIDS?*

- *Do ministers generally agree with the six priority actions for international action as set forth above? Do they have suggestions for other steps which should be taken to intensify action against HIV/AIDS? Would they support the adoption of specific goals or outcome indicators by the international community as targets for HIV/AIDS efforts?*

- *What do ministers see as the priority actions for the World Bank to pursue on HIV/AIDS?*