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The French Presidency of the G-8 and G-20 summits in 2011 gave the National AIDS Council the opportunity to examine innovative mechanisms used to offset the steady reduction, since 2009, in international funding for HIV/AIDS control which has compromised the aim of achieving universal access to treatment by 2015. In order to reach universal access, the Council believes it is the right time to implement a financial transaction tax to provide significant additional resources for HIV/AIDS control. Moreover, it recommends that further governmental action is taken beyond the scope of this mechanism alone.

1. RESPONDING TO INCREASING NEEDS

The needs, notably in terms of access to treatment, are vast. Today there are 7,6 million people who do not receive the HIV/AIDS treatment for which they are eligible, and do not have access to **second-line and third-line ARV**. The costs incurred remain extremely high and the financial resources required to ensure the provision of healthcare, need to increase over the coming years.

It is estimated that 20% of PLHIV in Sub-Saharan Africa treated with ARV require a second-line therapy after 20 months. However, only 2% of PLHIV in this region actually have access to such treatments

↳ The programming of **multiannual financing of tens of billions of dollars per year**, in order to **increase efficiency** and bring down both the incidence of the epidemic, as well as the future levels of spending.

2. MOBILIZING COMBINED FINANCIAL RESSOURCES

Donor countries have not kept to the agreement on official development assistance and seem **unable to devote 0.7% of their gross national income to ODA by 2015**, whilst the gap between the needs and the resources available has reached a critical threshold.

France's ODA/GNI ratio was 0.46% in 2011

↳ The mobilization of complementary and combined financial resources: official development assistance, diversified innovative financing: **current taxes** (tax on airline tickets), **public/private partnerships** (**Dept2health, advance market commitments**) and a high yield financial mechanism : **financial transactions tax**.

The Debt2Health scheme allows a creditor to forgo their claim on part of the debt owed, on the condition that the beneficiary invests in the health sector

According to advance market commitments (AMC), donor States commit to paying to pharmaceutical companies a pre-determined price for a product once it comes to market

3. BENDING INTELLECTUAL PROPERTY RULES

The increase in levels of patent protection since 1994 has limited competition in the pharmaceutical market and thereby the expected reduction in the cost of treatments which now constitute second-line products. The limited use of flexibilities in the WTO intellectual property agreement open to low and middle-income countries and the **signature of bilateral agreements** which bypass the flexibilities in place could also complicate access to ARV.

Certain countries, notably the United States have introduced more stringent standards than those set out in traditional agreements. Today, it is India who is being encouraged by the European Union to adopt additional protective measure for brand-name drugs, which may well compromise the production of generic drugs

↳ A reduction in the cost of treatments, made possible by implementing **dispensations to intellectual property rules** open to low and middle-income countries and **strengthening competition** between pharmaceutical companies, notably those producing **generic drugs**.

4. STRENGHTENING WHO/WTO COORDINATION

The global governance of HIV/AIDS control is ensured by a range of disparate organizations with insufficient levels of coordination between them. Furthermore, there are very low levels of cooperation between stakeholders in the health sector and those involved in trade.

The presence of a second competitor producing a given generic reduces the price to around 50% of that of the brand-name product

↳ A **new global governance** based on the effective coordination of the fight against HIV/AIDS under the aegis of UNAIDS, and reinforced cooperation between the World Health Organization and the World Trade Organization.

The mobilization of innovative financing is an adapted response to the reduction in traditional financing and may contribute to reducing the price of antiretroviral treatments. However, donor States must also commit to taking action to ensure and magnify this reduction, notably by guaranteeing flexibility.

For more information on this subject, consult: [Defeating the global AIDS epidemic through innovative financing](#)
National AIDS Council, October 13, 2011 www.cns.sante.fr/spip.php?article382&lang=en Contact: laurent.geffroy@sante.gouv.fr

The French National AIDS Council (Conseil national du sida, CNS) is an independent, consultative French agency that was set up in 1989. It comprises 24 members: specialists working in the field of HIV/AIDS, representatives of civil society, and members of associations. The CNS delivers opinions and recommendations on the full spectrum of issues that society faces as a result of HIV/AIDS. These papers are addressed to the French authorities and to all those involved in or concerned by the epidemic. It is the intention of the CNS to participate in this manner in the development of public policy, within a framework that promotes respect for fundamental ethical principles and human rights. For more information, you are invited to consult our website: WWW.CNS.SANTE.FR

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