

FOIA MARKER

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Folder Title:

AIDS, 2 of 2 [Africa] [7]

Staff Office-Individual:

African Affairs-Smith, Gayle/Barks-Ruggles, Erica/Sanders, Robin/Rice, Susan/Dempsey, Nora et al.

Original OA/ID Number:

2853

Row:	Section:	Shelf:	Position:	Stack:
29	2	10	2	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Kenneth Bernard and Gayle Smith to Samuel Berger, re: AIDS in Africa - NSC Interests (3 pages)	06/29/1999	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
African Affairs (Smith, Gayle/Barks-Ruggles, Erica/Sanders, Robin/Rice, Susan/Dempsey, Nora et al.)
OA/Box Number: 2853

FOLDER TITLE:

AIDS, 2 of 2 [Africa] [7]

2007-1550-F
ke2015

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
- RR. Document will be reviewed upon request.

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

0002

**WHAT HAS AL GORE DONE
TO PREVENT SOUTH
AFRICA FROM TAKING
THESE MEASURES?**

Vice president Gore is the U.S. Chairman of the United States/South Africa Bilateral Commission (BNC), which oversees economic diplomacy between the two countries. According to a State Department report released Feb. 5, 1999, the Office of the Vice President has waged "an assiduous, concerted campaign" by "all relevant agencies of the U.S. government" to prevent the compulsory licensing and parallel importing of AIDS medicines.

Under direct pressure from the Pharmaceutical Research and Manufacturers of America, which has contributed heavily to Gore over the years, South Africa has been put on the U.S. Trade Representative's "watch" list for trade violations and has been made to undergo an "out-of-cycle review." Gore has linked tariff reductions to the repeal of laws allowing drug access. The Office of the Vice President has repeatedly made false implications that South Africa's efforts to provide affordable medication to its people violate international trade law.

THIS IS NOT TRUE AND THE U.S. GOVERNMENT KNOWS IT IS NOT TRUE!

In one case, South Africa was warned that the mere act of discussing compulsory licensing and parallel importing at an international summit would be considered an illegal trade barrier.

**THE U.S. SURGEON
GENERAL SPEAKS OUT
ON THE INTERNATIONAL
AIDS CRISIS**

"American medicine and public health have an important role to play in the global battle against HIV/AIDS by supporting international organizations such as the Joint United Nations Program on HIV/AIDS, the World Health Organization, and the World Bank.

"HIV/AIDS can be likened to the plague that decimated the population of Europe in the 14th century. While the modern epidemic affects people of all age groups, those of working age are at highest risk, posing potentially dire economic, social, and political consequences for the global community. Unfortunately, the world continues to devote greater attention and resources to traditional national security issues such as wars, postponing notice of an epidemic that, if left to spread unchecked, will kill more people than any of the terrible conflagrations that have so marked this century."

-David Satcher, MD
Surgeon General of the United States and Assistant Secretary, Department of Health and Human Services
(JAMA. 1999;281:1479)

You've seen the headlines in the media: "Ethics and AIDS Drugs" (Time, 7/12/99). "No Money, No Meds" (Newsweek, 7/12/99), "AIDS Activists Badger Gore Again." (Washington Post, 6/17/99) Missing from these stories is a clear explanation of the facts behind the issue. Here are those facts:

**AL GORE
AND AIDS
MEDICINE
ACCESS IN
DEVELOPING
COUNTRIES**

Al Gore is threatening trade sanctions against South Africa and other Third World Nations which attempt to legally provide AIDS drugs to their HIV positive citizens.

www.actupdc.org

HIV/AIDS

0003

BACKGROUND:

AIDS has reached epidemic levels in many developing nations. 90% of the 33 million HIV+ people worldwide live in Latin America, Asia or Africa. The U.S. Surgeon General has compared the deadly spread of AIDS in Sub-Sahara Africa (where 22.5 million are HIV+) to the Black Plague that swept across Europe in the 14th Century.¹

In South Africa, where 3.2 million people are estimated to be HIV+, one month's worth of medicine can equal roughly half a patient's yearly income. The government has moved to provide essential medicines to its citizens at affordable prices by using compulsory licensing and parallel importing of AIDS drugs.

WHAT IS COMPULSORY LICENSING?

A government pays royalties to a patent holder, and enables another company to produce the patented good. This introduces competition into the market and can lower the price of medicine by 75% or more.

WHAT IS PARALLEL IMPORTING?

It is the import of a product from one country, and then the resale, into another country. Drug prices vary widely in different parts of the world, so the savings for consumers can be dramatic.

ARE COMPULSORY LICENSING AND PARALLEL IMPORTING REALLY LEGAL?

Absolutely!

International patent protection issues are governed by the World Trade Organization's Agreement on Trade Related Aspects of Intellectual Property Rights (known as the TRIPS agreement). Article 31 of the TRIPS agreement clearly permits compulsory licensing as long as the government follows certain procedures to protect the interests of the patent holder, including the payment of royalties.² South Africa often states its intention of abiding by these procedures.

In fact, the United States itself uses compulsory licensing for pharmaceuticals, chemicals, computer chips, and many other products.

Parallel importing is allowed under Article 6 of the TRIPS agreement.³ The practice is used extensively throughout Europe, and has been upheld in international courts.

². TRIPS, Article 31. "Where the law of a Member allows for other use (See footnote 7) of the subject matter of a patent without the authorization of the right holder, including use by the government or third parties authorized by the government, the following provisions shall be respected..."

³. TRIPS, Article 6. "nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights."

WHAT CAN I DO TO HELP SOUTH AFRICA OBTAIN AFFORDABLE AIDS MEDICINES?

1. Call the Office of the Vice President at 202-395-4213 (or fax to 202-456-2685) and demand an immediate and unconditional halt to the atrocious policies which keep AIDS drugs out of HIV+ South Africans' reach. Let them know that you know compulsory licensing and parallel importing are completely legal and widely practiced by the United States and its allies.

2. Mail or email your message:

Vice President Al Gore
Old Executive Office Building
Washington, DC 20501

vice.president@whitehouse.gov

3. COPY & DISTRIBUTE THIS PAMPHLET

For more info, contact

ACT UP-DC

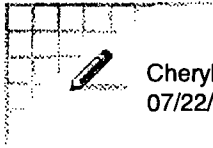
(P) 202-547-9404

(F) 202-547-9458

409 H Street N.E.

Washington, D.C. 20002

www.actupdc.org



Cheryl S. Bauerle
07/22/99 12:06:56 PM

Record Type: Record

To: Patricia A. Battenfield/NSC/EOP@EOP

cc:

Subject: press release/Q&A

----- Forwarded by Cheryl S. Bauerle/OPD/EOP on 07/22/99 12:06 PM -----

Sandra Thurman 07/20/99 12:39:56 PM



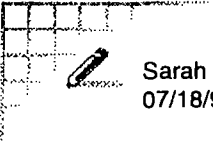
Record Type: Record

To: Cheryl S. Bauerle/OPD/EOP@EOP

cc:

Subject: press release/Q&A

----- Forwarded by Sandra Thurman/OPD/EOP on 07/20/99 12:39 PM -----



Sarah A. Bianchi@OVP
07/18/99 08:09:09 PM

Record Type: Record

To: Sandra Thurman/OPD/EOP@EOP

cc:

Subject: press release/Q&A



alds.2af QA.VP.doc

THE WHITE HOUSE

Office of the Vice President

For Immediate Release
Monday, July 19, 1999

Contact:
(202) 456-7035

VICE PRESIDENT GORE ANNOUNCES ADMINISTRATION WILL SEEK \$100 MILLION INITIATIVE – A RECORD INCREASE -- IN FUNDS TO FIGHT AIDS AROUND THE WORLD

Washington, DC -- Vice President Al Gore today joined Archbishop Tutu, Director of the Office of National AIDS Policy Sandra Thurman, Members of Congress, and leaders of the African-American, religious, children's, and AIDS communities to announce that the Administration will seek the largest-ever budget increase in the global battle against AIDS – a new investment of \$100 million. The Vice President also unveiled a new report from the Office of National AIDS Policy that assesses the AIDS crisis in Africa and recommends this investment. In addition, the Vice President announced new efforts to encourage other public and private entities across the world to address AIDS across the world.

"AIDS in Africa is the worst infectious disease catastrophe in the history of modern medicine," Vice President Gore said. "More than twenty million people are now infected and nearly 500 more become infected each hour. We hope this initiative will not only provide much-needed relief but will inspire decisive action by other countries and institutions – and bring hope to the millions of children and families trapped in this horror." Today, the Vice President:

RELEASED A NEW REPORT ON THE PRESIDENTIAL MISSION ON CHILDREN

ORPHANED BY AIDS IN SUB-SAHARAN AFRICA. Last December, President Clinton directed the Director of the Office of National AIDS Policy to go on a fact-finding mission to assess the problem of HIV/AIDS in Africa. Today, the Vice President is releasing the report that includes new findings and a plan of action resulting from this mission. The report finds that:

- **AIDS in sub-Saharan Africa is one of the largest health crises in the history of the world.** In the past decade, twelve million people in sub-Saharan Africa have died of AIDS -- one quarter of them children -- and each day AIDS buries another 5,500 women and children. Over the next decade, AIDS will kill more people in sub-Saharan Africa than the total number of casualties in all of the wars of the 20th century combined. By 2005, the daily death toll will reach 13,000 people per day.
- **Millions of children will be orphaned by this epidemic.** In some areas up to one-quarter of all children already live with an HIV-positive parent. In the next decade, more than forty million children in sub-Saharan Africa will lose a parent to HIV/AIDS.
- **This epidemic has a devastating impact on many aspects of life in sub-Saharan Africa.** AIDS is

undermining much of the progress in development that has been made in Africa. AIDS is reducing life expectancy by more than 20 years in some countries. Many children are dropping out of school to care for dying parents undermining improvements in education, and AIDS will continue to have a major negative impact on the economy, hitting a range of professionals, from teachers to military to business leaders and therefore undermine its current trade with other nations throughout the world.

UNVEILED NEW \$100 MILLION INITIATIVE TO COMBAT HIV/AIDS ACROSS THE GLOBE. The Vice President also unveiled a new initiative to double the existing efforts to prevent and treat AIDS. This initiative will be targeted to Africa in addition to other parts of the world where this epidemic is growing. It will help move forward on four critically important and interconnected fronts including:

- **Containing the AIDS Pandemic.** A new \$48 million initiative will be used to implement a variety of prevention and stigma reduction strategies including: HIV education; engagement of political, religious and other leaders; voluntary counseling and testing; blood supply screening, and, interventions to reduce mother-to-child transmission (MTCT). In addition, the Department of Defense (DoD) will begin new efforts to work with African militaries to provide educational material and training on AIDS prevention.
- **Providing Home and Community-Based Care.** This \$23 million investment will be used to deliver counseling, support palliative and basic medical care including treatment for sexually transmitted diseases, opportunistic infections, and tuberculosis (TB) through community-based clinics and home-based care workers and enhance training and technical assistance efforts.
- **Caring for Children Orphaned by AIDS.** This new \$10 million initiative will be used to assist families, extended families, and communities in caring for their children through nutrition, education, health and counseling support, in coordination with micro-finance programs.
- **Strengthening Prevention and Treatment by Augmenting Planning, Infrastructure, and Capacity Development.** This \$19 million initiative will help strengthen host country ability to plan and implement effective interventions. It will also strengthen the capacity for effective partnerships between local government and community-based organizations. Strengthen local surveillance systems to track the spread of HIV infection, AIDS, and the effects of interventions to enable the best targeting of HIV/AIDS prevention programs.

This United States Government investment would be provided through AID (\$55 million), HHS (\$35 million) and DOD (\$10 million) and will be fully offset.

ENGAGING OTHER PARTNERS TO ADDRESS THIS CRISIS. Addressing the crisis of AIDS worldwide will require a broad-based commitment from public and private partners across the globe. The Vice President also unveiled a series of new initiatives to enhance efforts to address this problem including:

- **Multi-lateral Partners Meeting to Enhance Coordination Around the World.** On September 7,

1999, First Lady Hillary Rodham Clinton will convene a meeting of donors, The World Bank, UNAIDS, international foundations, CEOs and others to discuss how we can best enhance and coordinate our AIDS efforts in Africa and around the world.

- **A United Nations Conference on Children Orphaned by AIDS.** The United Nations, in conjunction with the National Black Leadership Commission on AIDS, The White House Office of National AIDS Policy, The Magic Johnson Foundation and a variety of NGOs, will organize a conference on World AIDS Day to focus attention on the growing number of children orphaned by AIDS worldwide, with a special emphasis on sub-Saharan Africa.
- **New Partnerships with Private Sector Leaders to Address This Crisis, Such As the Religious, Business and Labor Communities.**
 - Given the impact of AIDS on businesses active in Africa as well as the overall economic-impact on African countries, the White House will facilitate a meeting of business leaders to encourage commitment and involvement in AIDS programs, such as workplace education, outreach to communities, and increased funding support for AIDS efforts.
 - The White House will host a meeting of US and African labor leaders, co-chaired by the AFL-CIO, to build on successes in working with the Council of South African Trade Unions to address AIDS.
 - The White House will also facilitate a religious summit of African, American, and other religious leaders to discuss the important role of communities of faith in the fight against AIDS. In Uganda and Senegal it is very clear that the involvement of religious communities and leaders had a dramatic impact on the ability of these two countries to reduce HIV prevalence or to maintain it at low levels over time.

AIDS Initiative: Qs & As

For Internal Use Only

Q: Is this initiative a response to the recent problems facing the Vice President on international patents in South Africa?

A: No. The President, the Vice President and others throughout this Administration recognize the critical nature of this pandemic and is committed to helping the African people combat AIDS. This effort began on December 1, 1998 (World AIDS Day) when the President and Vice President focused attention on this issue and directed AIDS czar Sandy Thurman to lead a fact finding mission to sub-Saharan Africa and report back with recommendations. Today we are releasing a report from Director Thurman and moving forward on the Plan of Action.

The Vice President has worked with President Mbeki and other African leaders to address the crisis of AIDS and worked with Director Thurman and others to assure that the Administration responded to the recommendations of Director Thurman's report. The Vice President looks forward to continuing to work to find ways to address this problem.

Q: How is the budget amendment being paid for?

A: This new proposed investment of \$100 million is fully paid for. The Office of Management and Budget worked with many agencies to come up with a series of reasonable offsets, such as areas where appropriate funds are in excess of what is needed. These include:

\$40 million comes from unspent activities at the Department of Justice for enforcement activities against unlawful diversion of prescription drug medications.

\$30 million in unobligated balances from the National Institutes of Health Buildings and Facilities still available because they were not spent last year.

\$10 million in balances from the Agency for International Development Sustainable Development Assistance Account in appropriate funds that exceeds projected expenditures for development accounts due to civil strife in targeted countries.

\$10 million comes from a small percentage of unobligated commodity funding in the International Assistance Programs and prioritized for AIDS orphans.

\$10 million from the Department of Defense from sales of excess raw minerals

no longer needed.

Q: Are any of these funds being taken from existing AIDS programs, Africa programs, or programs to support orphans?

A: None of the funds are being shifted away from AIDS, Africa or programs which provide support to orphans. These funds are additional to what is currently being spent on both AIDS and Africa.

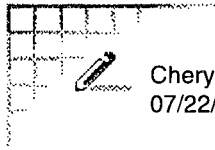
Q: Does this initiative really double funding for prevention and treatment in Africa?

A. The United States Government currently spends \$81 million in prevention and treatment. This new \$100 million proposed for FY2000 represents a more than doubling of our investments in this area. We also are hopeful that this level of commitment will encourage other nations to step up their efforts. We need many nations and private sector commitments to address a problem of this magnitude.

Q: Has funding been allocated for FY2001?

A: The difficult battle against AIDS will require sustained attention from the US government, other bilateral and multilateral donors and especially from the African nations themselves for many years. Our goals, which are coordinated with the UNAIDS program goals, are five year goals. We are committed to working towards reaching these important goals.

(IF PRESSED:) We have not made any funding commitments beyond the year 2000. However, recognizing the extreme need, we anticipate future funding commitments will be part of our sustained effort.



Cheryl S. Bauerle
07/22/99 12:07:21 PM

Record Type: Record

To: Patricia A. Battenfield/NSC/EOP@EOP

cc:

Subject: Monday morning draft of VP's AIDS announcement

----- Forwarded by Cheryl S. Bauerle/OPD/EOP on 07/22/99 12:07 PM -----

Sandra Thurman 07/20/99 08:13:12 AM

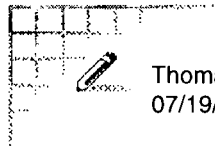
Record Type: Record

To: Cheryl S. Bauerle/OPD/EOP@EOP

cc:

Subject: Monday morning draft of VP's AIDS announcement

----- Forwarded by Sandra Thurman/OPD/EOP on 07/20/99 08:13 AM -----



Thomas M. Rosshirt@OVP
07/19/99 07:29:51 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Monday morning draft of VP's AIDS announcement

**Vice President Al Gore
International AIDS Initiative
Monday, July 19, 1999**

Olivia -- May God bless you and keep you close. Thank you for traveling halfway around the world to make more real to us what it means to live in a world ripped apart by AIDS. And thank you for teaching us the virtues of hope, courage, and human dignity. As we move forward in our global fight against AIDS, we will keep you forever in our hearts.

Archbishop Tutu – across oceans and nations, you are a universal messenger of mercy

and compassion. Thank you for bringing the moral power of your ministry here to Washington today to strengthen us in our cause. Congressman Clyburn, I want to thank you and the Congressional Black Caucus for serving so uncompromisingly as the conscience of the Congress -- and for sounding the alarm about the growing crisis of AIDS in Africa and around the world.

I also want to thank AIDS Action and so many other organizations and individuals here today, not only for your successful record of fighting AIDS here at home; but also for reminding those of us in this part of the world, of our moral duty to do more to fight AIDS in the rest of the world.

Over the past several years, I have met with African leaders and heard their ideas, their concerns, and their difficulties in facing the raging crisis of AIDS. I have taken top U.S. Health officials with me to Africa, to share America's best ideas on fighting this disease. But the crisis is growing, and so must our commitment. I am honored to be with you today to announce an important step forward in our global battle against AIDS.

There is nothing in our memory or experience that rivals the scope or scale of the AIDS crisis in Africa. More than twelve million people have already died -- one quarter of them children. Twenty million more men, women, and children are now infected. And every day, 11,000 more people become HIV positive -- more than half of them under the age of 25.

Young lives are being lost; families torn apart; businesses are failing, economies collapsing; and yet the epidemic is galloping onward, and gaining speed. The story Olivia just told us -- multiply that by forty million. That is the number of children who will be orphaned by AIDS in Africa over the next ten years -- the same number of children that attend public school today in the United States.

Right now, from Kampala to Cape Town, we are working to stem the rising tide of HIV infection, to prolong the lives of those who are sick, and to stitch together a network of family support systems for the growing number of orphans. But we have so much more to do.

That is why -- on World AIDS Day last year -- the President asked our AIDS Czar, Sandy Thurman, to lead a fact-finding mission to Africa and to report back to the White House on new steps to confront this growing crisis.

I am pleased today to release the report of the Presidential mission to Africa, and to announce that -- as part of our commitment to take the lead in launching a greater worldwide response to the AIDS crisis -- we will send to Congress a proposal for a \$100 million increase in the next fiscal year to fight AIDS in Africa, Asia, and around the world. This largest-ever increase in U.S. resources will double our investment in HIV prevention and AIDS treatment in Africa.

This budget increase is part of our ongoing commitment to intensify our global battle against AIDS, but no nation can win this war on its own. We will challenge our G-8 partners and other donors to match America's increased commitment, and we will work diligently with foreign governments, corporate leaders, NGOs, faith communities, and our African partners to

leverage much needed funds, and maximize their impact in the global battle against AIDS.

As Archbishop Tutu has said, this is a holy war. For all our friends here and around the world willing to go deep into the heart of suffering to wage and to win this war -- let us hear and take heart from the words of South African poet, Mongane Wally Serote:

"remember
the passion of our hearts
the blinding ache and pain
when we heard the hysterical sobs
of our little children crying against fate

we heard these, we knew them, we absorbed them
but we surged forward
knowing that life is a promise, and that that promise is us"

That promise is us. We here in this room -- with millions of allies around the world -- we are the promise of hope and of change. We are the promise; and we make the promise not to shrink, not to deny, not to retreat from this crisis; but to charge forward -- to take courage from each other, to take strength from our numbers, to take inspiration from the moral might of our cause. We have the knowledge, we have the resources, we have the will; we have the moral duty to make a difference. We make this promise and we will keep this promise: we will wage a wider war -- a worldwide war against this disease -- so that when the story of the AIDS crisis is told to future generations, the moral of that story will be the power of the human spirit to unite behind a common cause, defeat a common foe, and advance the health, the happiness, and the harmony of all humankind.

May God bless you all, and may God bless our cause.

Message Sent To:

Sandra Thurman/OPD/EOP@EOP
Ron Klain/OVP@OVP
Laura M. Quinn/OVP@OVP
Richard M. Saunders/OVP@OVP
Sarah A. Bianchi/OVP@OVP
Eli G. Attie/OVP@OVP
Richard Socarides/WHO/EOP@EOP
Alejandro G. Cabrera/OVP@OVP
Erica J. Barks-Ruggles/NSC/EOP@EOP
Robert D. Kyle/OMB/EOP@EOP
Keri A. Eisenbeis/OMB/EOP@EOP

THE WHITE HOUSE

Office of the Vice President

For Immediate Release:
Wednesday, July 14, 1999

Contact:
(202) 456-7035

STATEMENT BY THE VICE PRESIDENT

I am extremely pleased about today's encouraging news on a promising new treatment to reduce the transmission of HIV/AIDS from mothers to children. This new study, being released today by the National Institutes of Health and their counterparts in Uganda, indicates that the use of nevirapine (NVP) is twice as effective as a short-course of zidovudine (AZT). Moreover, it is far more affordable --- at least seventy times lower in cost than a short course of AZT and 200 times less expensive than a long course -- and easier to administer.

I believe that we must address the growing crisis of HIV/AIDS, in this nation, in Africa, and around the world. Each and every hour, another 16,000 persons are infected with HIV worldwide, most in the poorest nations. This treatment to help reduce the likelihood of a mother passing along HIV to her child during pregnancy or delivery is a critical new weapon in the ongoing battle against HIV/AIDS. With this treatment, millions of children can start life free from this deadly disease.

While we well understand that drugs alone are not the solution for countries that lack the systems to adequately provide them, all of us who have been searching for hope in this terrible epidemic should be encouraged by this promising news. I salute the scientists here and in Uganda, as well as the thousands of volunteers that made this study such a success. Now, together, we must take new steps to strengthen our commitment to stop both here and across the globe to fight HIV/AIDS: millions of lives depend on it.

###

Battenfield, Pat A. (AF)

From: Barks-Ruggles, Erica (AF)
Sent: Saturday, July 24, 1999 11:34 AM
To: Bernard, Kenneth W. (HEALTH)
Cc: @HEALTH - International Health Affairs; @AFRICA - African Affairs
Subject: FW: AIDS in Africa - NSC Interests [UNCLASSIFIED]

Ken - I reworked this package as an info memo to POTUS, but given the Monday launch of the AIDS initiative and SRB and POTUS's knowledge from them (Sandy T forwarded a copy of her report to POTUS), we think this is now OBE. Let me know if you think differently. - Erica

-----Original Message-----

From: Bernard, Kenneth W. (HEALTH)
Sent: Wednesday, July 21, 1999 8:35 AM
To: Barks-Ruggles, Erica (AF)
Subject: RE: AIDS in Africa - NSC Interests [UNCLASSIFIED]

Here it is!



4034 SRB AIDS2.doc

Chris

-----Original Message-----

From: Barks-Ruggles, Erica (AF)
Sent: Tuesday, July 20, 1999 9:19 PM
To: Keenan, Josefina (Chris) (HEALTH); Smith, Gayle E. (AF)
Cc: Bernard, Kenneth W. (HEALTH)
Subject: RE: AIDS in Africa - NSC Interests [UNCLASSIFIED]

I cannot open the paper - it says "operation failed" when I try. Can you send it again?

-----Original Message-----

From: Keenan, Josefina (Chris) (HEALTH)
Sent: Tuesday, July 20, 1999 1:17 PM
To: Smith, Gayle E. (AF); Barks-Ruggles, Erica (AF)
Cc: Bernard, Kenneth W. (HEALTH)
Subject: AIDS in Africa - NSC Interests [UNCLASSIFIED]

Ken, who is on vacation starting today through August 3, called me and asked that I forward this now "3-week old" document to you. He suggests that, slightly modified based on yesterday's event, it could be quite useful at this point to send to SRB. He asked that you use your own good judgement.

<< File: 4034 SRB AIDS2.doc >>

Withdrawal/Redaction Marker

Clinton Library

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OA/Box Number: 2853

FOLDER TITLE:

AIDS, 2 of 2 [Africa] [7]

2007-1550-F
ke2015

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

JUL 01 1999

FILE

MEMORANDUM FOR SANDRA THURMAN
WHITE HOUSE OFFICE OF NATIONAL AIDS POLICY

GAYLE SMITH
NATIONAL SECURITY COUNCIL

ROBERT KYLE
OFFICE OF MANAGEMENT AND BUDGET

FROM: William E. Schuerch *WES*
Deputy Assistant Secretary
International Development, Debt and Environmental Policy, and

Daniel M. Zelikow *DMZ*
Deputy Assistant Secretary
Asia, the Americas and Africa

SUBJECT: Treasury Department Briefing Materials on AIDS in Africa

Please find attached some informal thoughts which we should discuss further on possible initiatives that could be taken by the World Bank and the African Development Bank to combat AIDS in Africa. We also have enclosed a fact sheet on the Koln debt initiative and some off-the-shelf briefing materials on existing activities being done by the World Bank and the African Development Bank on AIDS.

If we can provide additional information or assistance to you, please let us know. We look forward to continue working with you through the inter-agency process.

Attachments

Possible AIDS Initiatives Which Might Be Supported by Treasury

Intensify IFI Coordination: Both the World Bank and the African Development Bank have already undertaken initiatives in Africa to combat AIDS. In fact, the World Bank is one of the leading financiers of HIV/AIDS activities in the world. We could call for the continuation of these initiatives by both the World Bank and the AFDB, particularly focusing on public education and health activities to promote prevention and behavioral change, not scientific research, and urge the two institutions to coordinate their efforts. We could also urge that AIDS initiatives and prevention strategies be included where appropriate in the Country Assistance Strategies approved by the World Bank and African Development Bank boards in borrowing countries.

AIDS Education Initiatives: The U.S. Executive Director of the World Bank and the AFDB could call for AIDS prevention and education programs being inserted into education and health (sector) loans funded by the IFIs in borrowing countries where AIDS is prevalent. Even where the disease is nascent, such an initiative should be encouraged to prevent its spread.

Cologne Debt Initiative and AIDS: The Cologne Initiative calls on the International Financial Institutions to develop a new framework for linking debt relief with poverty reduction that centers around better targeting of budgetary resources for priority social expenditures, for health, child survival, **AIDS prevention**, education, greater transparency in government budgeting, and much wider consultation with civil society in the development and implementation of economic programs.

AIDS Debt-Swaps: AIDS education and prevention programs, in addition to children's anti-poverty and environmental programs, could be included as eligible activities we support with our debt-swap and exchange programs. Such an initiative developing AIDS education and prevention debt-swaps will require new legislation, which this Administration would support.

IMF Support: We could commit to urge the IMF to structure fiscal adjustment that countries make as part of the IMF programs in a way that does not undermine social sector spending in public health and education programs, including AIDS issues.

Regional Programs: We could ask the World Bank and the AFDB to explore and undertake regionally-oriented programs where AIDS has a cross-border dimension (e.g. truck drivers), particularly in southern and eastern Africa.

Economic Study on the Impact of AIDS in Africa: We could ask the IMF/World Bank /and the AFDB and even UNECA to collaborate on a literature review and study on the economic dimension and impact of AIDS in Africa, to be delivered at the Bank/Fund annual meetings (September 28-30, 1999), Development Committee, or G8 finance ministers.

Finance Ministry Discussions: We could commit to have senior Treasury officials raise and discuss the issue of AIDS and development, particularly in Africa, at international meetings and in their discussions with African Finance Ministers to raise its profile and gain national support for preventive measures within financial planning and budgetary priorities.

Treasury 6/29/99

The Cologne Debt Initiative

The G-7 leaders have endorsed a new Initiative to enable Heavily Indebted Poor Countries (HIPC) to receive deeper, broader and faster debt relief in return for firm commitments to channel the benefits into improving the lives of all their people. The HIPC Initiative was created in 1996 to provide deeper multilateral debt reduction for poor countries with unsustainable debt burdens.

- **New focus on poverty:** The Cologne Initiative calls on the International Financial Institutions to develop a new framework for linking debt relief with poverty reduction that centers around better targeting of budgetary resources for priority social expenditures, for health, child survival, AIDS prevention, education, greater transparency in government budgeting, and much wider consultation with civil society in the development and implementation of economic programs.
- **Substantially deeper relief:** Together with earlier debt relief commitments, the Cologne Initiative provides for reduction of up to 70 percent of the total debts for these countries, (reducing the stock) from about \$127 billion today to as low as \$37 billion with the cancellation of official development assistance (ODA) debt by G-7 and other bilateral creditors. In today's dollars (net present value – NPV terms), this would more than triple the amount of relief to be provided from \$13 billion under the current HIPC framework to as much as \$50 billion. This would be accomplished by reducing the HIPC program target ratios for the NPV of outstanding debt to 150 percent of exports, and 250 percent of government revenues, with fiscal thresholds of 30 percent exports to GDP and 15 percent revenues to GDP, and by providing full cancellation of ODA debts.
- **Faster relief:** Relief will be available significantly faster than under the current framework by providing early cash flow relief ("Interim Relief") and allowing earlier stock reduction.
- **Broader participation:** The number of countries expected to qualify for HIPC relief would rise from 26 to 33, meaning that more than 430 million people could ultimately be affected.
- **Releasing resources for priority needs:** For the average HIPC country, the share of scarce government revenue devoted to debt service could fall by 10 percentage points to a ratio for debt service to revenues of well below 20 percent and close to 10 percent in some cases. This is equivalent to a reduction in actual payments of about 25 percent. Mozambique's debt will be reduced by some \$3.5 billion (\$1.7 billion in NPV terms), for example, which could cut in half the share of government revenues allocated to external debt service from over 30 percent to about 15 percent in 1999 and free about \$30 million in budgetary resources each year. These savings are equivalent to over half the health budget in 1999 in a country where children are 3 times more likely to die before the age of five than they are to go to secondary school.

In proposing this Initiative on March 16, President Clinton stated that "Our goal is to ensure that no country committed to fundamental reform is left with a debt burden that keeps it from meeting its people's basic human needs and spurring growth. We should provide extraordinary relief for countries making extraordinary efforts to build working economies." On June 16, the President pledged "to work to find the resources so we can do our part and contribute our share toward an expanded trust fund for debt relief."

THE WORLD BANK AND HIV/AIDS ACTIVITIES IN AFRICA

Overview

Recognizing that HIV/AIDS is not only a health issue, but also a development problem threatening the economic and social growth of many nations, the World Bank is one of the leading financiers of HIV/AIDS activities in the world. The Bank has programmed over \$800 million to more than 70 current and future projects around the world aimed at preventing and controlling HIV/AIDS and STDs (Sexually Transmitted Diseases), mainly through IDA, its concessional loan window for the poorest countries. Over forty percent was for projects in Africa. Given the prevalence of HIV/AIDS in Sub-Saharan Africa, the Bank will continue to regard this region as a funding priority.

The fact that HIV/AIDS mainly affects people in the most productive age group, aged 15-49, increases the impact of this pandemic in Africa on economic productivity and development. Loss of skilled workers harms the development prospects in society, including individual households and vital sectors such as education, transport, and agriculture. The impact of the disease is especially hard on the poor. "Although it is difficult to project accurately the loss in terms of productivity, savings and investment, studies have clearly shown the ripple effect of AIDS on developing economies. AIDS is projected to slow per capita income growth, through its effects on savings and productivity, by an average of 0.3 percent point annually between now and 2025 in the ten sub-Saharan countries with the most advanced epidemics." (African Development Bank. African Development Report 1998, pg. 157.)

Country specifics - Bank Operations

Uganda: the World Bank Group has funded two projects containing HIV/AIDS components -- The Health Project for \$42.5 million approved in FY88 and ended in 3/96, and a Sexually Transmitted Infections Project for \$50 million approved in FY94 and ending in 12/00. This project includes a relatively small component for District Work Plans which are developed at the local government level with assistance from the Ministry of Health and from NGOs, and can include care and support for community initiatives, including AIDS families and AIDS Orphans. Knowledge of needs in the community including those of extended families unable to cope with deaths in the family have been referred to the District Medical Officers for inclusion in the District Work Plans by the World Bank staff working on the project.

Zambia: a Social Recovery loan for \$20 million was approved in FY 91 and the project ended in 7/98. The Ministry of Finance and Economic Development/Micro-projects Unit was in charge of the implementation of the project.

Zimbabwe: A Family Health II Project for \$25 million was approved in FY 91 with a closing date of 12/98. Due to delays in equipment procurement, the project implementation period is being extended. The Ministry of Health is in charge of its implementation. A Sexually Transmitted Infections Prevention and Care project was approved in FY 93 for \$64.5 million and will end in 12/00. The Ministry of Health and the National AIDS Coordination Program is in charge of its implementation.

For FY 99, the Bank has planned a Family Health III project for \$50 million for Zimbabwe to be implemented by the Ministry of Health. (These amounts are for the entire loan amount for the projects -- to date the Bank does not yet have information for external use on the amounts spent just on HIV/AIDS components.)

South Africa: The World Bank does not have any projects with HIV/AIDS components in South Africa.

The Bank is leading the development of an African AIDS initiative, which was launched in December 1, 1998 (World AIDS Day). This initiative is being undertaken in collaboration with the UNAIDS (Joint United Nations Programme on HIV/AIDS) secretariat and other co-sponsors to create an effective subregional response to the epidemic among policy makers, government agencies, industry, NGOs, community organizations, and donor agencies, as well as to expand the Bank's involvement in HIV/AIDS support to Africa. The impetus for this initiative is the 22.5 million people in Sub-Saharan Africa who are living with HIV/AIDS and the rapid spread of this disease which is threatening to undermine 40 years of development progress.

The World Bank's Approach

The Bank believes that more than money needs to be provided to combat this disease. Strategies and programs need to be effective, and therefore based firmly on sound knowledge of local practice and traditions. The Bank works in partnership with UNAIDS, bilateral and non-government organization to assist countries to develop strategies and programs. The comparative advantage of the World Bank lies in its ability to engage in policy dialogue with client governments.

In a recent research/policy publication (1997), Confronting AIDS, the Bank promotes a strategy of enhanced epidemiological and behavioral data collection to better monitor the disease, education and information dissemination with an emphasis on prevention of the spread of disease through targeting of high-risk behavior through the use of condoms and other means such as bleach for sterilizing needles for drug users. Analysis to date (not surprisingly) suggests that targeting sex workers and others with multiple and concurrent sex partners is the most effective means of reducing the spread of the virus.

In addition the Bank participates in advocacy and public information activities, many of which are led by UNAIDS; funds research projects on alternative cost-effective approaches to reducing the spread of the disease; and cooperates with the International AIDS Vaccine Initiative.

While the World Bank has not yet undertaken a formal review of its AIDS projects, the projects in Uganda have been particularly successful due to the high commitment of the government to address the disease early on in its development.

AFRICAN DEVELOPMENT BANK AND HIV/AIDS ACTIVITIES

The African Development Bank's AIDS-related activities started around 1990 by integrating HIV/AIDS components in some selected health sector projects. The Bank's portfolio of health projects which include HIV/AIDS components is attached. Included is one project loan for Uganda for \$42.8 million approved in 1990 which is still on-going and is considered by the Bank to be successful in its implementation. Specifically, it includes an effective sub-component on Women in Development for supporting health education on AIDS in schools and rural districts, and has strengthened the institutional capacity of the Ministry of Health and local government to plan, organize, supervise and execute large health projects.

An HIV/AIDS Strategy Paper for the Bank Group was drafted in 1996 and is now being finalized. The prevention of AIDS has been identified as one of the major initiatives that the Bank Group will undertake.

Drafted By:
Treasury/OASIA/IDB

Cleared By:
Treasury/OASIA/ID

1/15/99

African Development Bank/Fund
AFDB/AFDF
Health Projects with HIV/AIDS Components

Country	Project Title Loan amount	Approval Date/status	Component details	Effective
1. Côte d'Ivoire	Centre régional de transfusion sanguine à Daloa (ADF 13.2 mill.UA)	1990 (on going)	- Construction of facilities; - provision of equipment and supplies	Successful
2. Togo	Projet de réhabilitation des centres hospitaliers régionaux et de renforcement de la pharmacie d'approvisionnement (ADF 13 mill.UA)	1992 (on going)	-Lab. Equipment for HIV/STD testing in 5 regional hospitals; - training of med. Staff and lab technicians; -sensitization program on HIV/AIDS and STD	Successful
3. Mali	Appui au PRODESS (SIP) (Amount to be determined)	For 1999	Regional initiative to control NA STD and HIV/AIDS	NA
4. Malawi	Institutional capacity building for the National AIDS Program (TAF Grant) approx. 1mill. UA	For 1999	Institutional capacity building	NA
5. Burundi	Health - Rehabilitation Project (ADF 7.9 mill. UA) (TAF 0.7 mill. UA)	Dec. 1998	-Rehabilitation of blood screening facility; - provision of lab equipment; - training of staff	NA
6. Gabon	Health - Rehabilitation Project (ADB 10 mill.UA)	Jan. 1999	-Rehabilitation of blood screening facility; - provision of lab equipment; - training of staff	NA
7. Morocco	Projet de renforcement des soins de santé de base en milieu rural (ADF 18.5 mill.UA) (ADB 18.42 mill.UA)	1992 (on going)	Support to national program STD/HIV/AIDS; - provision of equipment supplies; - training of staff; - procurement of drugs.	Successful
8. Mauritania	Sector Investment Program (Amount to be determined)	Jan. 1999	Support to national program STD/HIV/AIDS; - provision of equipment supplies; - training of staff; - procurement of drugs.	NA
9. Tanzania	Health Rehabilitation Project (ADF 15 mill.UA)	Dec. 1997	-Support to the National AIDS Program; -IEC and organization of workshops on HIV/AIDS involving private and commercial sector; -rehabilitation of labs and provision of improved Equipment	Successful
10. Uganda	Health Rehabilitation Project ADF 25.3 mill. UA and NTF 5.0 mill. UA	1990	-Training seminar on HIV/AIDS/STD in District Schools.	Successful



WHY SHOULD THE BANK INVEST IN AIDS?

HIV/AIDS is not just a health problem. It is also a development problem. This epidemic threatens the economic and social growth of many nations. In addition to the extraordinary human suffering it causes, AIDS poses serious problems to a nation's health and productivity as well as the fabric of family and community life. Reasons for devoting extra attention to AIDS include:

- Economic:** AIDS mainly affects people in the most productive age groups (15–49). Loss of skilled workers harms the development prospects of society, including individual households and vital sectors such as education, transport, and agriculture.
- Societal:** AIDS exacerbates poverty. Although both the rich and the poor can be infected by HIV, the poor have fewer resources to cope and are therefore more likely to experience negative consequences. These include reductions in household assets, per capita food consumption, and child school enrollment.
- Health:** AIDS impacts public health spending. In addition, HIV leads to increased prevalence and incidence of other diseases, including tuberculosis (TB) and other sexually transmitted diseases (STDs).
- Human Rights:** AIDS may violate basic human rights by stigmatizing and discriminating against people living with HIV/AIDS, refugees and migrants, ethnic minorities, sex workers, injecting drug users and homosexuals.

THE TRENDS

By the end of 1996, approximately 23 million people were living with HIV infection or AIDS. Of these, 22 million are adults and 1 million are children. Approximately 42% of the 22 million are women and this proportion is growing. More than 6 million people have died of AIDS.

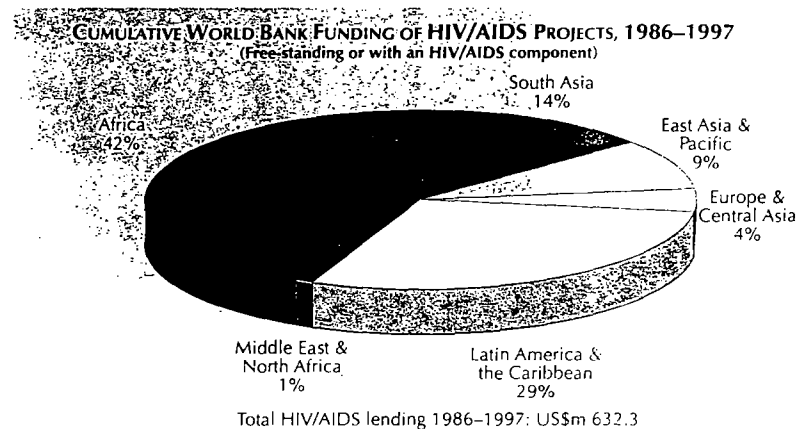
Over 90 percent of all adults and children with HIV/AIDS live in the developing world: 62 percent live in Sub-Saharan Africa, 24 percent in Asia, and 6.9 percent in Latin America and the Caribbean.

There were over 3 million new HIV infections in 1996, or approximately 8,500 new infections a day. The majority of newly infected adults are under 25 years of age.

Lending

The World Bank is one of the leading financiers of HIV/AIDS activities in the world. To date, the Bank has committed over \$800 million to more than 70 current and future projects around the world aimed at preventing and controlling HIV/AIDS and STDs. AIDS lending is likely to rise as more countries turn to the Bank for financial assistance in implementing strategies to fight the HIV/AIDS epidemic. The bulk of the World Bank's finance for HIV/AIDS-related projects is provided on highly concessional terms to low-income countries through the International Development Association (IDA).

In 1986 the Bank began providing funding for AIDS prevention as part of broader health and social sector projects. Freestanding AIDS projects have been funded since 1989. For example, \$84 million was approved in 1992 for a multi-pronged prevention strategy in India. The program aims to promote behavioral change and condom use, control STDs, strengthen blood safety, enhance surveillance and clinical management, raise the national and provincial capacity to manage HIV/AIDS control activities, and ensure humane treatment of people with HIV/AIDS. In addition, the Bank is engaged in discussions



with the government of India and other partners about a second program—India II. In Zimbabwe, \$64.5 million was approved in 1993 to purchase condoms, drugs and diagnostic tests which can help prevent the transmission of HIV and other sexually transmitted infections, and for other activities.

Nearly half of the HIV/AIDS projects now funded by the Bank are in Sub-Saharan Africa, where most HIV infections currently occur. While the Bank will continue to regard this region as a funding priority, the Bank is also determined to assist countries where the full impact of the epidemic is yet to take effect.

The greatest epidemics of HIV/AIDS that the world now faces are those that will occur in the most populous nations: China, India and Indonesia. There is a window of opportunity in Asia where in some areas AIDS has come later and the problem is not yet out of control. Strategies to combat HIV are more likely to be cost-effective early on than after the epidemic has become mature.

Regional Initiatives

HIV/AIDS does not respect national borders, which is why the Bank also provides grants for initiatives which tackle this epidemic from a regional perspective. Programs in Western Africa, Southern and Eastern Africa, South East Asia, and Latin America and the Caribbean aim to strengthen regional co-operation and improve the capacity for neighboring countries to consult on policy and implementation issues.

Strategy and Program Development

While generous financial support is needed to fight HIV/AIDS, the Bank believes that more than money is needed if countries are to combat this disease. We must ensure that strategies and programs are effective. In allocating funds for HIV/AIDS projects the Bank works closely with individual governments, who are responsible for planning and implementing projects. For national HIV/AIDS programs to be successful it is imperative that they are based on a sound knowledge of local practice and traditions. The Bank also works in partnership with United Nations agencies (especially UNAIDS), bilateral donors and non-government organizations to assist countries to develop strategies and programs.

Research

The majority of World Bank finance is provided for countries to develop strategies and services on the ground. However, the Bank is also committed to learning how best to curb the HIV/AIDS epidemic. To this end the Bank has provided funding for experts from around the world, as well as its own staff and consultants, to undertake a variety of research projects.

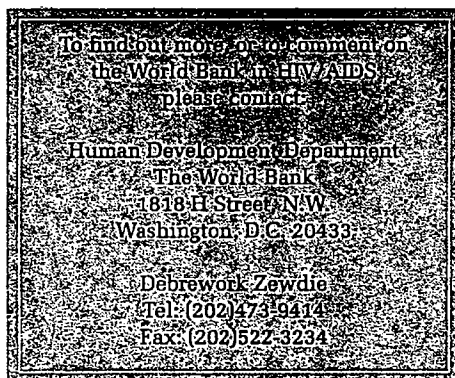
For example, the World Bank is part of a global collaboration of organizations that has created and funded the International AIDS Vaccine Initiative (IAVI). The purpose of IAVI is to accelerate progress toward an AIDS vaccine, or vaccines, effective for use in developing nations where the epidemic is spreading most rapidly.

In addition, several studies on the social and economic impact of HIV/AIDS have been sponsored which will assist nations to identify the strategies and projects that most cost-effectively tackle this epidemic. A recent Policy Research Report "Confronting AIDS: Public Priorities in a Global Epidemic" provides an analytical foundation for policymakers and those in a position to influence the public response to the epidemic to consider how society and governments should respond to AIDS.

UNAIDS and the Bank

As one of six co-sponsors of the Joint United Nations Programme on HIV/AIDS (UNAIDS), the Bank is playing a role in shaping the global response to the HIV/AIDS epidemic. On January 1, 1996, UNAIDS replaced the World Health Organization's Global Program on AIDS (GPA). UNAIDS provides an expanded, multisectoral response to HIV/AIDS. The six co-sponsoring organizations are the World Bank, the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Education, Scientific and Cultural Organization (UNESCO), and the World Health Organization (WHO).

Despite the efforts of governments, agencies and dedicated people throughout the world, the global AIDS problem is getting worse, not better. There are no easy solutions to the problems HIV/AIDS now poses. As we move towards the 21st Century and HIV/AIDS continues to challenge us all, the World Bank will play a major role in assisting countries to find culturally appropriate solutions to this devastating epidemic.



FAX TRANSMISSION

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FAX: (480) 661-5407

To: Honorable Gayle Smith

Date: June 28, 1999

Fax #: 202 456-9260

Pages: 2, including this cover sheet.

From: Dr. C.T. Wright

Subject: For your information

COMMENTS:



WESTERN UNION FSI
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WESTERN
UNION MAILGRAM



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LEON H SULLIVAN
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HONORABLE BILL CLINTON
THE WHITE HOUSE, ATTN BETTY CURRIE
WASHINGTON DC 20500

DEAR MR PRESIDENT,

WE ARE VERY PLEASED WITH THE LEADERSHIP YOU GAVE AT THE COLOGNE
SUMMIT FOR DEBT RELIEF AND THE CONTAINMENT OF HIV/AIDS IN AFRICA.
ON BEHALF OF AFRICAN AMERICANS AND AFRICANS, WE WANT TO THANK YOU
VERY, VERY MUCH.

SINCERELY,

LEON H SULLIVAN

MGMCOMP 21:01 EST

July 22, 1999

Honorable Roble Olhaye
Dean of the African Diplomatic Corps
Embassy of the Republic of Djibouti
1156 15th Street, NW, Suite 515
Washington, DC 20005

Dear Ambassador Olhaye,

Please accept my sincerest apologies for my most unfortunate oversight in properly recognizing our distinguished African delegation at the event on Monday. I was so focused on making sure that our young speaker from Uganda was doing well that not only did I forget to list the Diplomatic Corps but several members of Congress as well. I cannot begin to tell you how embarrassed I am!

I hope that you will allow me the honor of personally delivering a copy of my report to the President to you and any other Ambassadors you ~~feel are appropriate~~. I welcome the opportunity to seek your input and guidance as we proceed with the implementation of this initiative.

Please know we are dedicated to working with our African partners in addressing the HIV/AIDS crisis. Together we can make a difference.

I look forward to hearing from you soon.

Respectfully yours,

Sandra L. Thurman
Director
Office of National AIDS Policy

would like to include

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AFRICAN AFFAIRS DIRECTORATE

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Date: 7/23
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FROM: X Gayle Smith phone: 202-456-9261
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Erica Barks-Ruggles
Jendayi Frazer

TO: PHONE NUMBER FAX NUMBER
1. SANDY THURMAN 62439

2. _____

3. _____

4. _____

TESTIMONY ON THE PROTECTION OF US INTELLECTUAL PROPERTY ABROAD, PARTICULARLY WITH RESPECT TO SOUTH AFRICA

House Committee on Government Reform
Subcommittee on Criminal Justice, Drug Policy and Human Resources

July 21, 1999

Mr. Chairman:

Thank you very much for inviting us to testify on intellectual property ~~policy in South Africa.~~

rights, ~~and~~ come policy and how these relate to health issue

around the globe

This hearing focuses on a topic that is of crucial importance to the health and future of millions of people in Africa and elsewhere: the role of our policy in ensuring access to effective medicines for AIDS and other illnesses. The Administration, together with our partners in South Africa and elsewhere, has developed a policy which ensures access to current medicines to treat AIDS, while providing the incentives that will speed the development of effective medicines that in the future have the potential to cure or prevent the disease.

This policy has, on the whole, benefited both American patients and patients around the world by promoting the development of critical and innovative medicines. It has helped ensure a financial return on successful medicines, which in turn has funded additional research, and thus given patients a continuous supply of new medicines to treat previously deadly or debilitating conditions.

Over the years, however, these incentives have been eroded by piracy and counterfeiting overseas. Once a process or compound has been developed through expensive and time-consuming experimentation, and its efficacy and safety assured by FDA testing, competitors can duplicate the innovator's work at very little cost.

THE "TRIPS" AGREEMENT AND "SPECIAL 301"

A top priority of our work in the so-called Uruguay Round negotiations in the World Trade Organization was to secure adequate and effective patent protection for American pharmaceuticals worldwide. In this we succeeded: all WTO members committed, through the Agreement on Trade-Related Aspects of Intellectual Property Rights (or "TRIPS") to provide, after varying transition periods, inventors and creators with the right to protect their intellectual property, including the right to obtain pharmaceutical patents. Over time, the result will benefit both producers and users as, in the case of pharmaceuticals, companies in the U.S. and overseas are given greater incentives to research and produce new medicines to continue the fight against disease. Implementation of the TRIPS Agreement, including its provisions affecting pharmaceuticals and other patented products, has become an important part of the Administration's trade agenda.

Another important component of USTR's policy is the so-called "Special 301." The Special 301 provisions of the Trade Act of 1974 require the USTR annually to identify foreign countries that deny adequate and effective protection of intellectual property rights and to issue a public report to this effect at end of each April. In the report, countries are placed on lists, ranging from most egregious, where sanctions may ultimately be involved, to a watch list, where we literally monitor the situation and urge improvements. Congress amended Special 301 in the Uruguay Round Agreements Act to clarify that a country can be found to deny adequate and effective intellectual property protection (and thus placed on one of these lists) even if it is in compliance with its obligations under the TRIPS Agreement.

Each year USTR, in consultation with other agencies, examines the level of intellectual property protection afforded by our trading partners. We analyze legislation, enforcement activity, and market trends to arrive at our determination. We draw on the reporting from our embassies and consulates overseas, but we also receive input from industry associations, individuals, and even foreign governments.

In some instances, we agree with the recommendations of those outside of the government; in others we do not. For example, during this year's Special 301 review, there were recommendations to designate South Africa as a "Priority Foreign Country," which could have resulted in trade sanctions. We chose not to do so, however, because we did not agree with the magnitude of the problem and because we had already developed a framework to resolve our differences, which we are confident will work.

PATENT POLICY

While the objective of intellectual property protection is focused on ensuring incentives for research and development, so that drugs can be developed, the application of our intellectual property policy is sufficiently flexible to react to legitimate health care crises.

Until the recent development of protease inhibitors and other highly sophisticated medicines, many considered AIDS to be invariably fatal. While I am not in a position to speak about the specifics of these new medicines, their development has given new hope to many millions of people living with HIV.

This result is in part a tribute to patent protection, which has given pharmaceutical companies an incentive to research these and many other treatment options which may bear fruit in the future. It is our strong belief that international respect for intellectual property has contributed to the development of these vital drugs, and will continue to be an important part of the solution to the crisis.

The foundation of the Administration's approach to patent protection is to ensure that the necessary incentives are provided to promote rapid innovation of new drug therapies and to ensure the protection of the medicines which now exist. Patent protection is an essential policy

to encourage rapid development of new and more effective drugs to treat AIDS. Together with government investment in research, private sector incentives for research and development are critical to develop new treatments for AIDS as well as other diseases. To effectively remove patent protection for such treatments would ultimately be to delay the discovery and production of medicines which could go beyond treatment to prevention and cure. Our goals in the area of patent policy for pharmaceuticals are complemented by the Administration's efforts to address the HIV/AIDS crisis around the world, including in Africa. Our efforts in this regard are varied and extensive. As my colleagues have testified, we are active on a variety of fronts to combat this disease. Most recently, on Monday of this week, the Vice President announced a new \$100 million initiative to help fight AIDS in Africa.

We are also seeking to help developing countries create the public health infrastructure that will allow effective AIDS treatment. This includes not only adequate investment in prevention efforts, clinics and medical equipment, but continuous monitoring of treatments to ensure that no contamination occurs and that medicines are administered at the time and with the dosage recommended by their manufacturers.

Without such infrastructure, there is risk that pharmaceuticals, including antibiotics and HIV drugs, will not be administered to patients correctly. This poses risks not only to individual patients but the wider community, as without proper administration bacteria and viruses will mutate, creating powerful new forms of drug-resistant organisms.

THE SOUTH AFRICAN CASE

And this brings me to the specific case of South Africa.

We appreciate that the government of South Africa has undertaken to improve access to quality health care for its people. This is a goal we fully endorse and support. We believe that this goal can be achieved while promoting adequate and effective patent protection for pharmaceutical products. Our goal is to chart a course that assists in improving access to affordable medicines, while not freezing the financial incentives that fuel continued research and production of new drugs. With a shared commitment to improve health care and provide intellectual property protection we are continuing our efforts to find common ground on our differences.

That said, we have been working with South Africa to try to ensure that its new Medicines Act can achieve its intended goal, while being applied in a TRIPS consistent manner. We believe both of these goals are achievable. On its face, the Act appears to grant the Health Minister ill-defined authority to issue compulsory licenses, authorize parallel imports, and potentially otherwise undermine patent rights in a manner that may not be consistent with even the minimum standards set out in the WTO TRIPS Agreement or South Africa's other international obligations. We seek clarification from South Africa that Article 15(c) will be TRIPS-consistent.

and the entire Administration
all
 continue to discuss these concerns with the South African government, including

Indeed, we have been fully engaged in trying to clarify these matters with South Africa, with the goal of ensuring that the South African government has the full ability to address AIDS and other health issues in a manner within its WTO obligations.

In August of last year, the Vice President proposed a framework for resolution of our differences concerning South Africa's Medicines Act. The intent of the proposal was to bring together an experts group including all relevant decision makers - trade, health, and intellectual property - to reach our mutual goal of bringing better healthcare to the people of South Africa while assuring effective and adequate protection of intellectual property. Although neither government-to-government nor industry-to-government discussions have ~~not~~ resulted in a resolution of the differences that exist, we are encouraging continued dialogue to find a solution that ensures that the health concerns of South Africa can be addressed in a TRIPS-consistent manner-both of which are achievable.

The US Government does not generally support compulsory licensing. However, the TRIPS Agreement has specific rules that govern compulsory licensing, which are expressed in Article 31. The Agreement establishes specific conditions to permit unauthorized use under exceptional circumstances while guarding the interests of the patent holder. For example, a patent holder may be compelled to grant a license, but only on a case-by-case basis, normally only after the proposed user of the patent has been unable to obtain a license on a voluntary basis on reasonable commercial terms. This later requirement may be waived in a "national emergency." In addition, the product should not be exported to a third country. The South African Medicines Act does not provide for any of these conditions.

regulations
not
written -
we do
not know ->

We realize that AIDS is a special case which for the time being may require special measures. Thus, while we do not believe that compromising intellectual property rights is the solution to the greater problem, contrary to our general approach, we raise no objection to compulsory licensing of AIDS drugs on the part of South Africa, as long as it is done in a way that is compliant with TRIPS, or parallel importing provided patent rights are not otherwise infringed and that the safety and efficacy of the drugs are ensured. This is the policy of the Administration as a whole.

or parallel importing
pharmaceuticals
CONCLUSION

In conclusion, Mr. Chairman, this is an issue that raises strong concerns and emotions - rightly so, because it is a question of the best way to ensure treatment for people whose lives are in danger.

Our view is that we should make the maximum possible effort to ensure treatment for patients today, while not delaying the potential of cures and vaccines for the future. That is the balance we have struck, and we believe it is the right one.

Testimony by

Sandra Thurman
Director, Office of National AIDS Policy

Before the

Committee on Government Reform
Subcommittee on Criminal Justice, Drug Policy and Human
Resources

July 22, 1999

Mr. Chairman and other members of this Subcommittee, I am very pleased to be with you today to talk about the global AIDS pandemic. Your interest in addressing this crisis is very much appreciated.

My colleagues from the National Institutes of Health and the Centers for Disease Control and Prevention will lay out for you a vivid picture of the depth of this tragedy, and describe for you some of the work their agencies are supporting to address the many challenges before us. I would like to use this time with you to talk about the human dimension of the AIDS pandemic, and to share with you my experiences of the reality behind the many statistics you will hear today.

AIDS is a plague of Biblical proportion, and it is claiming more lives than all armed conflicts in this century combined. While many of us have witnessed its devastation firsthand, it is almost impossible to describe the grip that AIDS has on villages across ^{Africa} ~~this continent~~ and on communities around the world. 12 million men, women and children in Africa have already died of AIDS.

Today and everyday, AIDS in Africa buries more than 5,500 men, women and children – and that number will more than double in the next few years. AIDS is now the leading cause of death among all people among all ages in Africa – and among young adult African-American men in the United States.

And the epidemic rages on. Each day, 11,000 people in Africa become HIV infected – one every 8 seconds. Most of these new infections are among young people under the age of 25. And by 2005, more than 100 million worldwide will have been infected with HIV. Without our help, without your help, the pace of these deaths will continue to accelerate.

And in a host of different ways and from a variety of different vantagepoints. It is children who are caught in the crossfire of this relentless epidemic. In Africa, an entire generation is in jeopardy. In sub-Saharan Africa, between one-fifth and one-third of all children have already been orphaned by AIDS. And the worst is yet to come. Within the next decade, more than 40 million children will have lost one or both parents to AIDS. 40 million. That is about the same number as all children in public school in this country. Left unchecked, this tragedy will continue to escalate for at least another 30 years.

THIS IS NOT TRUE THERE ARE OVER 300 MILLION UNDER AGE 15 IN AFRICA

In just a few short years, AIDS has ^{will} wiped out decades of hard work and steady progress in improving the lives and health of families throughout the developing world. In endemic regions, infant mortality will double, child mortality will triple, and life expectancy will be cut by 20 years or more.

For millions and millions of families, for large regions of the developing world, and in some cases for entire nations, AIDS is an engine of destruction that is pushing them to

the brink of disaster. Not only do millions of precious lives hang in the balance, but so too does the economic viability and political stability of their homelands.

AIDS is a trade and investment issue. Both in terms of exports and natural resources, Africa is a critical partner to the US economic engine. And a successful fight against AIDS is fundamentally important to our ability to sustain and improve our economic ties to Africa. Skilled workers are taken in the prime of their lives, forcing their companies to find and train new employees to take their place. As workers get sick, they can no longer afford to buy or produce products, so the economies of their countries suffer.

According to the *Economist* magazine, recent studies have found that AIDS is seriously eroding the economies of many of our partner nations. In Namibia, AIDS cost the country almost 8% of its GNP in 1996. By 2005, Kenya's GNP will be over 14% smaller than it would have been without AIDS.

Similarly, in Tanzania, the World Bank has predicted that its GNP will be 15 to 25% lower as a result of AIDS. The South African government has estimated that this epidemic costs the country 2% of its GNP each year, a situation that will only worsen without strong intervention.

AIDS is also a security and stability issue. The prevalence of HIV in the armed forces of many African countries is staggeringly high. The *Economist* has estimated the HIV prevalence in the Congo range at 50 to 80%. Other recent reports have projected that

Armed forces in

the South African military and police are also heavily impacted by HIV. Moreover, as these troops participate in an increasing number of regional interventions and peacekeeping operations, the epidemic is likely to spread.

Extremely high levels of HIV infection among senior officers could lead to rapid turnover in those positions. In countries where the military plays a central or strong role in government, such rapid turnover could weaken the central government's authority. For those countries in political transition, this kind of instability could slow or even reverse the transition process. This is a dynamic that deserves serious attention not only in Africa, but in the Newly Independent States of the Former Soviet Union, and in India where AIDS is intensifying its deadly grip.

The South African Institute for Security Studies has also linked the growing number of children orphaned by AIDS to future increases in crime and civil unrest. The assumption is that as the number of disaffected, troubled, and under-educated young people increases, many sub-Saharan African countries may face serious threats to their social stability. Without appropriate intervention, many of the 2 million children projected to be orphaned by AIDS in South Africa alone will raise themselves on the streets, often turning to crime, drugs, commercial sex, and gangs to survive. This seriously effects stability and promotes the spread of HIV among these highly vulnerable young people.

Yet my message to you today is not one of hopeless^{ness} and desolation. On the contrary, I hope to share with you a sense of optimism. For amidst all of this tragedy, there is hope. Amidst this terrible crisis, there is opportunity: the opportunity for us—working together—to empower women, to protect children, and to support families and communities throughout the world in our shared struggle against AIDS.

The United States has been active in the struggle. The Administration has taken an active role in sounding the alarm on the AIDS crisis in Africa, and in ensuring that the United States supports African efforts to combat this deadly disease.

Since 1986, this nation has contributed over \$1 billion to the global fight against AIDS. More than 50% of those funds have been used to address the epidemic in sub-Saharan Africa. Overall, nearly half of all of the development assistance devoted to HIV care and prevention in the developing world has come from the US. The United States has also been the leading supporter of the United Nation's Joint Program on AIDS—UNAIDS—contributing more than 25% of its budget.

It is a strong record of engagement and one of which we can be proud, but unfortunately it has not kept pace with this terrible pandemic. We have done much, but there remains much more that we and the other developed nations can and must do.

In that spirit, on World AIDS Day 1998, the President directed me to lead a fact finding mission to sub-Saharan Africa and to report back with recommendations for an

enhanced US battle plan for our global fight against AIDS. I was pleased to lead that Presidential Mission during the Easter recess – accompanied by members and staff from both parties and chambers – to witness firsthand both the tragedies and triumphs of AIDS in Africa. In response to the findings of that trip, the Administration has announced a broad new initiative to address this growing pandemic.

It provides for a series of steps to increase US leadership through support for effective community-based solutions and technical assistance to developing nations. This effort more than doubles our funding for programs of prevention and care in Africa, and challenges our G8 and other partners to similarly increase their efforts. This initiative is a significant increase in the US government's investment in the global battle against AIDS and it begins to reflect the magnitude of this rapidly escalating pandemic.

A critical component of this initiative is a commitment to seek an additional \$100 million in Fiscal Year 2000 funds to help support this battle. Four key investments have been identified:

- \$48 million will be used for prevention. Specifically, we hope to implement a variety of prevention and stigma reduction strategies, especially for women and youth, including: HIV education, engagement of political, religious, and civic leaders, voluntary counseling and testing, interventions to reduce mother-to-child transmission, and enhanced training and technical assistance programs.
- \$23 million will support home and community-based care. This will help create and enhance counseling and support systems, and help clinics and home health

workers provide basic medical care (including treatment for related illnesses like STDs and TB)

- \$10 million will go for the care of children orphaned by AIDS. This will allow us to continue efforts that are being started this fiscal year through funds supported by Representatives Callahan and Pelosi and their colleagues. We hope to improve our ability to assist families and communities in caring for their orphaned children through nutritional assistance, education, training, health, and counseling support, in coordination with micro-enterprise programs.
- And \$19 million will be used to strengthen prevention and treatment infrastructure. These funds will help to increase the capacity for the effective delivery of essential services through governments, NGOs, and the private sector. We also need to enhance surveillance systems so that we can better track the epidemic and target HIV prevention efforts.

This assistance will come through the combined work of three Federal agencies: the US Agency for International Development would utilize \$55 million, HHS would invest \$35 million, and the Department of Defense the remaining \$10 million.

*I thought
DoJ
was
doing
\$40 m
AID \$20
HHS \$30
AND
DOD \$10*

Some of the other key components of this initiative include an increase in our efforts to include the AIDS epidemic in our foreign policy dialogue, both to support political leadership in countries hardest hit and to promote an increased response by our developed nation partners. We are also taking steps to increase our coordination with

the private sector and the many non-governmental organizations working in endemic regions, including religious organizations.

We hope that this initiative will receive the broad-based bipartisan support it deserves. AIDS is not a democratic or republican issue – it is a devastating human tragedy that cries out to all of us for help.

You will find a more complete description of this initiative and the problems it seeks to address in the report released by the Administration earlier this week. I have submitted a copy to this Subcommittee and would like to request that it be included in the record as part of my remarks.

Let me conclude by thanking this Subcommittee for its interest in this issue, and offer my continued assistance as you seek ways to respond to this terrible tragedy. Not too many years ago, the Reverend Martin Luther King, Jr. said:

We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly affects all indirectly.

Last week, Archbishop Tutu expressed the same sentiment through an African proverb:

When one steps on a thorn and it goes into the toe, the whole body bends to pull it out.

We are one world – and in many ways – Africa's destiny is our destiny. Every day, another 16,000 people around the world are infected with HIV, and 90% of those live in our poorest nations. There is hope, but that hope will only be realized if we act. We are not at the beginning of the end of AIDS, but rather at the end of the beginning. Our resolve to stop this epidemic must be strengthened, our resources significantly increased, our determination made clear. Let us hope and pray that we have the foresight and the fortitude to seize this opportunity.

I thank the Chairman and this Committee for allowing me to be with you here today.

Battenfield, Pat A. (AF)

From: Bouchard, Joseph F. (DEFENSE)
Sent: Thursday, July 22, 1999 2:56 PM
To: Smith, Gayle E. (AF)
Cc: Bernard, Kenneth W. (HEALTH); @AFRICA - African Affairs; @LEGISLAT - Legislative Affairs; @RUDMAN
Subject: RE: Question on CBC letter [UNCLASSIFIED]

Gayle,

Personally, I think the AIDS/Africa initiative is a good thing. But I don't know if I would recommend to the President that he ask Congress to set aside 1% of the surplus for it. My reasoning:

- As you well know, the Administration has been having serious problems getting congress to support our Function 150 budget requests since the 1994 election. This year is particularly bad, and we've already made threats (at various times) to veto the CJS Appropriations Bill, Foreign Ops Appropriations Bill and Foreign Relations Authorization Bill. Given this climate and the wrangling over how the surplus is to be spent, I think that a symbolic figure like 1% of the surplus might be a lightning rod for adverse Congressional action.
- What would be State's reaction if the Congress were to say, "Fine, we'll fund AIDS/Africa at 1% of the surplus, but you're not getting a top line increase." For FY-99 that's \$1 billion that would have come out of other 150 accounts. For the next ten years it's about \$3 billion a year that would come out of other 150 accounts. Wow! I think State would go nuts.

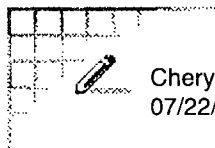
Miles, Mara, what do you two think? I defer to your judgement on how such a proposal would play on the Hill.

Joe

-----Original Message-----

From: Smith, Gayle E. (AF)
Sent: Thursday, July 22, 1999 2:04 PM
To: Bouchard, Joseph F. (DEFENSE)
Cc: Bernard, Kenneth W. (HEALTH); @AFRICA - African Affairs; Rudman, Mara E. (CNSLR); @LEGISLAT - Legislative Affairs
Subject: Question on CBC letter [UNCLASSIFIED]

Hi. Have lead on POTUS letter to CBC on AIDS in Africa which includes recommendation that we set aside 1% of our surplus for AIDs in Africa. Have plenty of meat for response given AIDS/Africa initiative announced by the VP on Monday but would appreciate any additional points you would make in response to this particular query (personally, I rather like the idea). Comments? (Copy should've come to you as you're down for concurrence). Thks, GS



Cheryl S. Bauerle
07/22/99 12:06:56 PM

Record Type: Record

To: Patricia A. Battenfield/NSC/EOP@EOP

cc:

Subject: press release/Q&A

----- Forwarded by Cheryl S. Bauerle/OPD/EOP on 07/22/99 12:06 PM -----

Sandra Thurman 07/20/99 12:39:56 PM

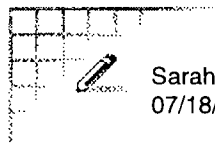
Record Type: Record

To: Cheryl S. Bauerle/OPD/EOP@EOP

cc:

Subject: press release/Q&A

----- Forwarded by Sandra Thurman/OPD/EOP on 07/20/99 12:39 PM -----



Sarah A. Bianchi@OVP
07/18/99 08:09:09 PM

Record Type: Record

To: Sandra Thurman/OPD/EOP@EOP

cc:

Subject: press release/Q&A



aids.2af QA.VP.doc

THE WHITE HOUSE

Office of the Vice President

For Immediate Release
Monday, July 19, 1999

Contact:
(202) 456-7035

VICE PRESIDENT GORE ANNOUNCES ADMINISTRATION WILL SEEK \$100 MILLION INITIATIVE – A RECORD INCREASE -- IN FUNDS TO FIGHT AIDS AROUND THE WORLD

Washington, DC -- Vice President Al Gore today joined Archbishop Tutu, Director of the Office of National AIDS Policy Sandra Thurman, Members of Congress, and leaders of the African-American, religious, children's, and AIDS communities to announce that the Administration will seek the largest-ever budget increase in the global battle against AIDS – a new investment of \$100 million. The Vice President also unveiled a new report from the Office of National AIDS Policy that assesses the AIDS crisis in Africa and recommends this investment. In addition, the Vice President announced new efforts to encourage other public and private entities across the world to address AIDS across the world.

"AIDS in Africa is the worst infectious disease catastrophe in the history of modern medicine," Vice President Gore said. "More than twenty million people are now infected and nearly 500 more become infected each hour. We hope this initiative will not only provide much-needed relief but will inspire decisive action by other countries and institutions – and bring hope to the millions of children and families trapped in this horror." Today, the Vice President:

RELEASED A NEW REPORT ON THE PRESIDENTIAL MISSION ON CHILDREN

ORPHANED BY AIDS IN SUB-SAHARAN AFRICA. Last December, President Clinton directed the Director of the Office of National AIDS Policy to go on a fact-finding mission to assess the problem of HIV/AIDS in Africa. Today, the Vice President is releasing the report that includes new findings and a plan of action resulting from this mission. The report finds that:

- **AIDS in sub-Saharan Africa is one of the largest health crises in the history of the world.** In the past decade, twelve million people in sub-Saharan Africa have died of AIDS -- one quarter of them children -- and each day AIDS buries another 5,500 women and children. Over the next decade, AIDS will kill more people in sub-Saharan Africa than the total number of casualties in all of the wars of the 20th century combined. By 2005, the daily death toll will reach 13,000 people per day.
- **Millions of children will be orphaned by this epidemic.** In some areas up to one-quarter of all children already live with an HIV-positive parent. In the next decade, more than forty million children in sub-Saharan Africa will lose a parent to HIV/AIDS.
- **This epidemic has a devastating impact on many aspects of life in sub-Saharan Africa.** AIDS is

undermining much of the progress in development that has been made in Africa. AIDS is reducing life expectancy by more than 20 years in some countries. Many children are dropping out of school to care for dying parents undermining improvements in education, and AIDS will continue to have a major negative impact on the economy, hitting a range of professionals, from teachers to military to business leaders and therefore undermine its current trade with other nations throughout the world.

UNVEILED NEW \$100 MILLION INITIATIVE TO COMBAT HIV/AIDS ACROSS THE GLOBE. The Vice President also unveiled a new initiative to double the existing efforts to prevent and treat AIDS. This initiative will be targeted to Africa in addition to other parts of the world where this epidemic is growing. It will help move forward on four critically important and interconnected fronts including:

- **Containing the AIDS Pandemic.** A new \$48 million initiative will be used to implement a variety of prevention and stigma reduction strategies including: HIV education; engagement of political, religious and other leaders; voluntary counseling and testing; blood supply screening, and, interventions to reduce mother-to-child transmission (MTCT). In addition, the Department of Defense (DoD) will begin new efforts to work with African militaries to provide educational material and training on AIDS prevention.
- **Providing Home and Community-Based Care.** This \$23 million investment will be used to deliver counseling, support palliative and basic medical care including treatment for sexually transmitted diseases, opportunistic infections, and tuberculosis (TB) through community-based clinics and home-based care workers and enhance training and technical assistance efforts.
- **Caring for Children Orphaned by AIDS.** This new \$10 million initiative will be used to assist families, extended families, and communities in caring for their children through nutrition, education, health and counseling support, in coordination with micro-finance programs.
- **Strengthening Prevention and Treatment by Augmenting Planning, Infrastructure, and Capacity Development.** This \$19 million initiative will help strengthen host country ability to plan and implement effective interventions. It will also strengthen the capacity for effective partnerships between local government and community-based organizations. Strengthen local surveillance systems to track the spread of HIV infection, AIDS, and the effects of interventions to enable the best targeting of HIV/AIDS prevention programs.

This United States Government investment would be provided through AID (\$55 million), HHS (\$35 million) and DOD (\$10 million) and will be fully offset.

ENGAGING OTHER PARTNERS TO ADDRESS THIS CRISIS. Addressing the crisis of AIDS worldwide will require a broad-based commitment from public and private partners across the globe. The Vice President also unveiled a series of new initiatives to enhance efforts to address this problem including:

- **Multi-lateral Partners Meeting to Enhance Coordination Around the World.** On September 7,

1999, First Lady Hillary Rodham Clinton will convene a meeting of donors, The World Bank, UNAIDS, international foundations, CEOs and others to discuss how we can best enhance and coordinate our AIDS efforts in Africa and around the world.

- **A United Nations Conference on Children Orphaned by AIDS.** The United Nations, in conjunction with the National Black Leadership Commission on AIDS, The White House Office of National AIDS Policy, The Magic Johnson Foundation and a variety of NGOs, will organize a conference on World AIDS Day to focus attention on the growing number of children orphaned by AIDS worldwide, with a special emphasis on sub-Saharan Africa.
- **New Partnerships with Private Sector Leaders to Address This Crisis, Such As the Religious, Business and Labor Communities.**
 - Given the impact of AIDS on businesses active in Africa as well as the overall economic-impact on African countries, the White House will facilitate a meeting of business leaders to encourage commitment and involvement in AIDS programs, such as workplace education, outreach to communities, and increased funding support for AIDS efforts.
 - The White House will host a meeting of US and African labor leaders, co-chaired by the AFL-CIO, to build on successes in working with the Council of South African Trade Unions to address AIDS.
 - The White House will also facilitate a religious summit of African, American, and other religious leaders to discuss the important role of communities of faith in the fight against AIDS. In Uganda and Senegal it is very clear that the involvement of religious communities and leaders had a dramatic impact on the ability of these two countries to reduce HIV prevalence or to maintain it at low levels over time.

AIDS Initiative: Qs & As

For Internal Use Only

Q: Is this initiative a response to the recent problems facing the Vice President on international patents in South Africa?

A: No. The President, the Vice President and others throughout this Administration recognize the critical nature of this pandemic and is committed to helping the African people combat AIDS. This effort began on December 1, 1998 (World AIDS Day) when the President and Vice President focused attention on this issue and directed AIDS czar Sandy Thurman to lead a fact finding mission to sub-Saharan Africa and report back with recommendations. Today we are releasing a report from Director Thurman and moving forward on the Plan of Action.

The Vice President has worked with President Mbeki and other African leaders to address the crisis of AIDS and worked with Director Thurman and others to assure that the Administration responded to the recommendations of Director Thurman's report. The Vice President looks forward to continuing to work to find ways to address this problem.

Q: How is the budget amendment being paid for?

A: This new proposed investment of \$100 million is fully paid for. The Office of Management and Budget worked with many agencies to come up with a series of reasonable offsets, such as areas where appropriate funds are in excess of what is needed. These include:

\$40 million comes from unspent activities at the Department of Justice for enforcement activities against unlawful diversion of prescription drug medications.

\$30 million in unobligated balances from the National Institutes of Health Buildings and Facilities still available because they were not spent last year.

\$10 million in balances from the Agency for International Development Sustainable Development Assistance Account in appropriate funds that exceeds projected expenditures for development accounts due to civil strife in targeted countries.

\$10 million comes from a small percentage of unobligated commodity funding in the International Assistance Programs and prioritized for AIDS orphans.

\$10 million from the Department of Defense from sales of excess raw minerals

no longer needed.

Q: Are any of these funds being taken from existing AIDS programs, Africa programs, or programs to support orphans?

A: None of the funds are being shifted away from AIDS, Africa or programs which provide support to orphans. These funds are additional to what is currently being spent on both AIDS and Africa.

Q: Does this initiative really double funding for prevention and treatment in Africa?

A. The United States Government currently spends \$81 million in prevention and treatment. This new \$100 million proposed for FY2000 represents a more than doubling of our investments in this area. We also are hopeful that this level of commitment will encourage other nations to step up their efforts. We need many nations and private sector commitments to address a problem of this magnitude.

Q: Has funding been allocated for FY2001?

A: The difficult battle against AIDS will require sustained attention from the US government, other bilateral and multilateral donors and especially from the African nations themselves for many years. Our goals, which are coordinated with the UNAIDS program goals, are five year goals. We are committed to working towards reaching these important goals.

(IF PRESSED:) We have not made any funding commitments beyond the year 2000. However, recognizing the extreme need, we anticipate future funding commitments will be part of our sustained effort.