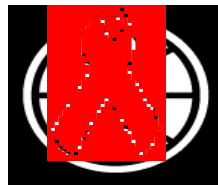


Multi-Country HIV/AIDS Program (MAP) for Africa



**The World Bank's Contribution to
the International Partnership Against
AIDS in Africa (IPAA)**

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Multi-Country HIV/AIDS Program (MAP) for Africa

Madam chair, excellencies, ladies and gentlemen,

It is an honor for me to be here and to present to you the Multi-Country HIV/AIDS Program (MAP) for Africa, as part of the International Partnership Against AIDS in Africa.

I will start with a brief summary of the way the Bank has reformed its operations to address the HIV/AIDS pandemic, which it has declared a major development crisis in Africa. I will then move on to describing the unique features of the Multi-country AIDS Project.

Before I start, I would like to say to all of you here who have shared your concerns of the ever increasing debt burden to Africa, we hear you and the Bank shares your concern. Most of all, I would like to commend the youth of Africa especially those of you who live with the virus, who bring here to the forum the voice of the new generation of Africans. I commend your efforts and as an African mother myself I am proud of you. I encourage you to step up the pressure on all of us and maintain the passion you have for Africa, if you do you will be able to save the continent and we will be behind you!

In the Bank's view, AIDS already represents the foremost threat to development in Africa, and an ominous threat in much of the rest of the developing world. Until the world has credibly addressed the epidemic, we cannot consider anything else we do in development to be secure.

For this reason, we can no longer regard investing in HIV/AIDS programs as just one among many policy choices. This is a false choice. In the worst hit countries, otherwise sound investment is already proving unsustainable because of the epidemic. Investing adequately in AIDS is therefore a precondition to virtually any other investment a developing country may wish to make. The choice is stark and simple: pay now, or pay a lot more later.

A turning point in the history of Bank HIV/AIDS work came two years ago when the Africa Region of the Bank decided to address HIV/AIDS as a major threat to development. Following the birth of IPAA, the Africa Region of the Bank articulated a strategy and established a unit AIDS Campaign Team for Africa, or ACT *Africa*, under the Regional Vice President's Office, to implement the strategy.

The Africa Region of the Bank also declared its intention to mainstream HIV/AIDS into all of the Bank's work in Africa, as feasible. Time does not permit me to discuss all the tools we have used, so let me touch only a few:

- We have retrofitted i.e. added HIV/AIDS components in many of our projects to support immediate action on AIDS in all sectors.
- In new projects, we have built in HIV/AIDS components where possible. For example, with the Chad/Cameroon pipeline project, the Bank is supporting IEC, capacity building, and workplace interventions along the pipeline route, both for workers and for the affected communities.
- We are building in general safeguards to “AIDS-proof” all our projects. Soon, all Bank-supported projects in Africa will undergo an HIV/AIDS impact assessment as part of the standard environmental assessment.

It is estimated that a basic program of prevention, care and treatment in every country in Africa would cost about 3 billion dollars. The World Bank recognizes its unique responsibility to take the lead in bridging this gap. The vast new initiative we first announced in Lusaka, the Multi-Country HIV/AIDS Program, was approved by our Board this past September. The MAP has set aside a first trench of US\$500 million from the Bank’s soft loan (IDA) window to fund HIV/AIDS programs. Other trenches are to follow. At this point I would like to say a few words about IDA and how it works.

With a few exceptions, all countries in Sub-Saharan Africa are eligible for IDA credits or, as they are commonly known, “soft loans.” The grant component of IDA is 65%, which means that countries ultimately repay only about one dollar for every three they receive.

Is all debt bad? Africa borrows \$2 billion per year from IDA. Should it cease doing so, even if the return on investment is far higher than the cost of the funds? And if it should keep borrowing, wouldn’t it be better to use some of that money for HIV/AIDS?

Is HIV/AIDS a good use for borrowed money? Absolutely. Best estimates suggest that a cost-effective HIV/AIDS program in Africa can avert one HIV infection for an average of about US\$200. The medical costs alone of treating one AIDS case are, by most estimates, at least US\$700 in Sub-Saharan Africa excluding anti-retroviral drugs. Therefore:

If a country receives US\$200 from IDA for good HIV/AIDS program
It will have to repay US\$70 (or 35%) which is the credit part of the IDA loan.

And it will save at least US\$700 in medical costs—not counting the savings in absenteeism, productivity, orphan care, etc.

In other words, every one dollar it borrows and repays will save at least ten dollars down the road. If that same country fails to invest adequately in HIV/AIDS, it will have to pay those larger costs in the future that will themselves be unsustainable.

When we came together to form this partnership, the agreement was for each partner to come forward with its contribution. The Bank has taken up the challenge and has utilized its comparative advantage, namely:

Putting HIV/AIDS at the center of its development agenda and with the MAP, it is doing what it does best providing the resources needed by countries to fully fund their national programs using its soft loan window, which is, by and large, grant money.

The Bank in collaboration with the US government and with the full participation of UNAIDS is in the process of establishing an AIDS trust fund. Several donor countries have expressed interest to put their resources into this trust fund.

While we are fully engaged in doing all of the above, we are also mindful of the limitations of the options that are available to Africa today.

The first option is to obtain enough grant resources. However, we know this takes time. We also know that over 10,000 Africans get infected on a daily basis and action is required now!

The second option is to delay our response until programs can be fully funded from grants. We do not believe this last one is a credible option. The Bank has been criticized along with others for not doing more. Now we are doing more, and will continue to do so until grant money grows large enough that we are no longer needed. But please do not ask us to sit idly by while millions more people die.

The third golden opportunity we have is debt relief. We are in full support of debt relief. The challenge now is to make sure that resources from debt relief are used to fight the HIV/AIDS epidemic.

The HIPC initiative will ultimately provide billions of dollars in debt relief to countries, many of them among the hardest hit by HIV/AIDS. We are working to ensure that some of this relief goes to increase funding for HIV/AIDS.

The fourth and the last option is to come up with enough resources now so that the loan from the Bank merely fills a gap in each country, which is what we are trying to do.

Let the international community mobilize the kinds of resources that were poured into Kosovo or Y2K for HIV/AIDS in Africa. It is towards that goal that the Bank is offering the MAP to Africa today.

What is new under the MAP?

First, a simplified preparation process with only few straight-forward eligibility requirements namely:

- (i) existence of a satisfactory evidence of a strategic approach to HIV/AIDS such a national AIDS Plan;
- (ii) establishment of a high-level HIV/AIDS coordinating body, including broad representations of key stakeholders such as PLWHA;
- (iii) appropriate implementation arrangements to accelerate project implementation, as well as having in place effective financial management (including controls and audits) and procurement; and

- (iv) Government has agreed to use and fund multiple implementation agencies, especially community-based and non-governmental organizations
- (v) Eligible to receive IDA funds

Second, a fast track approval process. By using streamlined procedures and generic prototypes, project can be prepared in 1 to 3 months as was the case for Ethiopia and Kenya versus one to two years for more typical Bank projects.

We are moving at record speed on MAP projects. As a result, the processing time will be shortened substantially. To give you an example, the following countries will be approved in December, by June, and by the end of this fiscal year we may well have committed the US\$500 million. By which time we will go to the Board and ask for another trench.

Third, a mechanism for scaling-up HIV/AIDS interventions. Almost every country has successful interventions underway. So let's not waste time reinventing the wheel. Let's build upon what works and let's bring these interventions to a national scale.

Fourth, an expanded partnership. To act efficiently, we must act together both in implementing and in financing the MAP. It is hoped that substantial amount of grants would be provided by donors, which would allow IDA resources to be used as a lender of last resort, namely to fill the remaining financing gaps.

Fifth, increased community participation and ownership. The MAP will support community involvement through capacity building and through the establishment of HIV/AIDS grant facilities that will channel resources directly to communities.

Sixth, a medium to long-term framework for financing HIV/AIDS interventions. Because mitigating the epidemic is a medium- to long-term challenge, the MAP is phased over an estimated period of 12 to 15 years. Phase 1 will commit its resources over the next three years. Subsequent phases will be processed in a manner similar to that of repeater projects.

In closing, let me repeat what we all know. No one, not the Bank, donor agencies, NGOs, or African countries will be able to win this battle alone.

A colleague of mine recently reminded me of what President Kennedy said to the American people in his inaugural speech 40 years ago next month. I have modified it a little bit for Africa:

Now African drums summon us again . . . to a long twilight struggle, year in and year out . . . a struggle against the common enemies of man: tyranny, poverty, disease, and war itself.

Can we forge against these enemies a grand and global alliance, north and south, east and west, that can assure a more fruitful life for all mankind? Will you join in that historic effort!!!!!!

I thank you!