UNITAID

First laboratory for Innovative Financing for Development

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1.4 billion Human Beings on this planet earning less than 1.25 dollar per day live in extreme poverty.

World Bank, 2011
During the last 2 decades:

- Globalization of the economy
- Globalization of communication

BUT not globalization of solidarity
Over the next 20 years, the Internet phenomenon will allow those who live in extreme poverty to compare the situation they are in with that of Western countries, breeding feelings of despair and humiliation, possibly even causing wars and conflicts in the 21st century.
We will not emerge from this current crisis:

• Unless we very rapidly purge these moral failings of globalization.

• Unless we replace them at the heart of our social contract with a sense of justice and the idea of humanity.
The globalization of the economy without the globalization of solidarity is a way of courting disaster.
The «scissors effect»:

- Increase in needs
- Decrease in Official Development Aid
Increase in needs:

1- MDGs 2000 – 2015
   • Requires $160 billion per year
   • Missing $40 billion

2- Copenhagen (2009) and Cancun (2010) :
   • Need an additional $100 billion per year by 2020
Official Development Aid

- Stagnates at 120 billion $ per year.
- Based on the «traditional» tax resources of the States.
- Based on a limited number of donors (the 24 members of the Development Assistance Committee of de OECD).
- Confronted with the greatest economic crisis the world has known since the Great Depression 75 years ago.
This «scissors effect» between public resources and the need to finance international solidarity for every human being is a major challenge and means we have to fulfill a historical responsibility.

We must find new funding instruments and revisit our approach to solidarity.
How can we close the gap between ever important needs, and a diminishing public assistance?

- By increasing pressure on governments to increase their ODA.
- By creating Innovative Financing for Development.
Two kinds of Innovative Financing:

- Innovative Funding
- Innovative Spending
The first type of innovative financing is

THE IDEA OF A GLOBAL SOLIDARITY CONTRIBUTION
-This is a brand new idea that holds considerable potential for development.

-For the first time, a solidarity contribution voted by a national parliament will not be collected or directly managed by this country but by a supra-national, collective body.
The best tool to create a globalization of solidarity facing economic globalization.
The first example of a global solidarity tax: UNITAID
Official signature of the **five founding countries** when UNITAID was launched, on 19 September 2006, at the United Nations General Assembly, New York.
In 2006, we have decided to propose a simple idea: increase the price of a plane ticket in France by an increment so small it is completely innocuous:

- 1 euro for all domestic and European flights
- 4 euros for international flights.
UNITAID’s mechanism has 4 characteristics:

1. It is innocuous to the traveler.
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2. It is harmless for the State.
3. If this harmless financing is done for very large number of people, this will constitute large sums of money (2,2 billion US$).
4. A new mode of governance:

- Governments of developed and developing countries
- Private sector (Gates Foundation)
- Civil society
- United Nations
Medicines are in the North, Patients in the South

Less developed countries represent:

- 84% of the world population
- Less than 11% of the global health expenditure
- More than 93% of the disease burden globally
93 countries already receive UNITAID support...

HIV / AIDS
49 recipient countries
- Pediatric ARV
- Second line ARV
- PMTCT

Malaria
29 recipient countries
- ACT
- LLIN
- AMFm

Tuberculosis
72 recipient countries
- First line TB
- Paediatric TB
- MDR-TB
- Diagnostics
Results obtained: Impact for a patient

Jennifer

On admission

After 3 months

After 5 months

Pediatric ARV program with the Clinton foundation

Source: Partners In Health / Clinton foundation
Eight out of ten children on therapy for HIV globally treated with UNITAID funds.
UNITAID initiatives have already driven major prices reductions (partnering with CHAI)

Change in peds ARV prices
US$/patient per year

- 2006: $130
- Q1 2008: $66

50% decrease from $130 to $66
Almost 90% of HIV infections in pregnant women are in 20 countries

500,000 pregnant women with HIV

In countries with conflicts or post-conflicts (e.g. Haiti, Central African Republic, Uganda, Ivory Coast, Rwanda, Nigeria, Zimbabwe, Angola, Guinea, Sudan, Democratic Republic of Congo, Bosnia and Herzegovina, Iraq...)
1,000 new infections in children each day:

- <1 per day in Europe
- <1 per day in United States
- 70 per day in Asia
- >900 per day in Africa
Mother Baby Pack

Without treatment – Transmission: 30 - 40 %
Impact de la taxe: l'exemple français

Mother Baby Pack

Mother baby pack
Transmission rate < 5%

Medicines for
- Pregnancy
- Birth
- Breast feeding and for baby
The goal is to treat the 1.4 million women in this situation, 98% of them in Sub-Saharan Africa. This "Mother Baby Pack" will decrease the rate mother to child transmission of the virus from 50% to less than 5%, thus avoiding that a mother transmits death when she is giving birth.
The Mother Baby Pack costs 70US$. If all women that need one had one at their disposal, we could imagine a generation without AIDS!
UNITAID is only a model. What has been done with airline tickets could be done tomorrow in other economic sectors directly affected by globalization such as mobile telephony, tobacco, the internet and the financial exchanges.
On 8 March 2011, the European Parliament voted a text in favour of establishing the FTT on a European level without having to wait for other countries like the United States or China. The type of FTT proposed by the European Parliament is a tax established between 0.01 % and 0.05 %. 
The Financial Transaction Tax exists and is now used unilaterally in countries like the United Kingdom, Brazil, South Africa and India.
In April 2011 the FTT project received the support of 1,000 economists from over fifty or so countries and who sent an appeal to G20 ministers of Finance to set up this tax “forthwith” (Joseph Stiglitz and Paul Krugman).
Economists underline that this FTT is “technically feasible” and “morally just”. “Even at very low rates of 0.05 % or less, this tax could raise hundreds of billions of US dollars every year and chasten speculative excess” and it could “finance public services like health, education, access to drinking water nationally and globally and get to grips with the climate change challenge”.

The Financial Transaction Tax
Creating the “Global Solidarity Fund”

All these revenues would be paid into a fiduciary fund, which would be in charge of managing allotment as well as being in charge of accounting for its use in total transparency.
As for governance, the two main principles must be respected; first and foremost, the necessity of regularly accounting for the different activities in total transparency; secondly, ongoing follow up and assessment combined with very strict financial verification.
As for the Administrative Board of such a fund, take example from UNITAID
We have reached a crux moment. 2011 can be a decisive year because political decision makers have taken up some very strong positions in favour of the Financial Transaction Tax.
Innovative in spending:
the “UNITAID Medecines Patent Pool”
Because the rules on the Intellectual Property on patents, a human being living in developing countries must wait 15 to 20 years before having access to the same drug one gets in Paris, New York or Oslo.

This is truly shameful for Humanity.
Northern companies and scientists develop the drugs
Northern institutions regulate and approve them for human use
Northern dominated trade rules affect who can access them and at what price, and – crucially - these rules determine whether or not a competitive market can develop.

We have a responsibility to make the global rules, which we have created and continue to control, work in the interests of the poor.
Ten million people with HIV currently wait for access to medicines.
This is the reason why UNITAID propose a ground-braking initiative: the creation of a non-profit structure in which patent owners agree to license their patents to enable generic producers to manufacture generics against HIV/AIDS **exclusively** for developing countries.
Therefore, for the first time in the History of the Humanity, the sick living in a poor country will have the same drug, at the same time, as those living in developed countries.
Possibility for companies to access patents needed to combine products in a three-in-one pill even if the patents are owned by different companies.
The history of UNITAID proves that Innovative Financing, particularly a global solidarity contribution, on top of ODA, are a vital tool in the fight against epidemics, and tomorrow against poverty, hunger and climate change.
GLOBAL PUBLIC GOODS

UNIVERSAL PUBLIC GOODS
(THE RIGHT TO LIFE)
This is not simply about being generous, but it is also in the best interest of the most advanced countries.

We cannot accept the trampling on Human Rights in developing countries for want of aid.
If we don’t want the global economic crisis to degenerate into a global humanitarian and social crisis, with unpredictable consequences on political stability and international peace, we need to act collectively, and to act now.
« The difficult is what takes a little time; 
The impossible is what takes a little longer. »

Fridtjof Nansen
(1861-1930)