

Keynote Speech at the Asian Development Bank

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“The challenge in Asia and the Pacific”

by Dr Peter Piot

UNAIDS Executive Director

Ms. Landey, members of the board, Vice-President van der Linden, Ambassador Lennart.

This is really a great day for me, not only because we have been trying to organize this visit for over a year but also because it is the culmination of the collaboration with the ADB that started well over a year ago. It is also so good to see many old friends in the room, people who have been extremely active in social and economic development and public health.

Today, I think that the stars are getting into the right alignment with our signing this memorandum of understanding. Yes, one could be cynical and say that the Bank signs quite a few MOUs, with all kinds of organizations. But it coincides with the fact that funding is available for programmes as tomorrow Sweden and the Bank will sign an agreement providing specific funding for AIDS. And then there is the Bank's AIDS strategy, which I understand will be discussed soon. And the Bank and UNAIDS have also worked together on developing the evidence base of the impact AIDS is having on social and economic development in Asia and the Pacific. So there is definitely strong will from both sides to work together, from the ADB and from us inside the UN Country Team system.

Our will to work together is so strong because in the 24 years since the discovery of AIDS, roughly 70 million people have been infected globally. All of them are connected with each other in one way or another – either because they had sex with each other, or their mother was infected, or they shared needles, or they had a blood transfusion. That's it – there are no other ways of getting infected. And this tells a revealing story about the connectivity of people in this globalizing world. Globalization is not only about markets and profits or losses. It is equally about how people are connected. And the AIDS pandemic shows just how closely we are connected in today's globalized world. In less than 25 years AIDS has become one of the major global crises of our times, in the same league as climate change, extreme poverty or nuclear weaponry.

And AIDS is not like any other disease threat because the epidemic is still growing, without a plateau or equilibrium in sight. And it is also different because it has long-lasting and ripple effects that affect generation after generation. This inter-generational characteristic of its impact is a result of AIDS overwhelmingly being a disease of working-age adults, the most productive ones, the ones that are really necessary for driving economic growth. They often leave behind orphaned children, so there is a long-term impact on both the economy and on societal structures. Truly, there is no precedent in history for an epidemic of this kind, with this kind of ripple and long-run effects. This is a major reason why as a society and as individuals we do not know exactly how to handle this epidemic.

Unfortunately, the epidemic has entered an increasingly ominous phase. There are at least two trends of great concern. One is the globalization of the epidemic. Until recently it was fair to say that AIDS was primarily an issue for Africa and for Western countries. Today, there is no continent or region that is not affected, that is not experiencing a major spread of HIV, even if infection rates are still very low within particular countries, for instance, in the Philippines or Indonesia. The bottom-line is that the factors that make a population vulnerable to the major spread of HIV are evident everywhere. One thing I've learned in my job is that when it comes to AIDS it's not because you don't have a problem today that you won't have one tomorrow! With AIDS, the opposite rule applies. And so this pandemic is now globalizing rapidly. The fastest rates of increase today are in Eastern Europe. Who would have

thought that? Who would have thought that a country like Russia would have a million people living with HIV today? Who would have thought that we would have districts in India where 4 per cent to 5 per cent of the adult population is HIV positive, districts with populations of 1 to 4 million people, the size of some African countries.

The second ominous trend is the feminization of this epidemic. When AIDS was first described in the West it was basically a problem of white, gay, middle-class men. Today, half of all people living with HIV in the world are women and in every region the proportion of women among those infected with HIV is increasing. This trend has to do with two things. One is biology – it's just easier for the virus to be transmitted from men to women through sexual intercourse than from women to men. The other is the disadvantaged position of women in society. And gender inequality interacts with poverty and with the stigma associated with AIDS to drive this epidemic. And because these 3 factors – gender inequality, poverty and AIDS-related stigma – are present to a great degree in most societies, HIV will continue to spread for the foreseeable future.

That is the bad news. On the plus side, the response to the pandemic is also entering a positive new phase. There is real momentum on several fronts.

One is political momentum. The most spectacular indication of this is Premier Wen Jiabao spending the Chinese Lunar New Year eve visiting villages heavily affected by AIDS. This says so clearly that China's top leadership is now fully committed to action on AIDS. And in India, Prime Minister Manmohan Singh announced a few months ago that he would personally chair a National Council on AIDS – another powerful illustration of how AIDS is being taken on by Asia's top leadership. This momentum is of the utmost importance, as political leaders have an indispensable role to fulfill in shaping the response to AIDS. Prime Minister Chatchai Choonhavan of Thailand was the first leader anywhere in the world to take on AIDS as a national issue. This was way back in 1990. And what a difference his leadership made! It ensured that the various ministries lived up to their responsibilities vis-à-vis acting on AIDS.

Leadership is truly indispensable to succeeding against AIDS. AIDS is one of the biggest leadership challenges of our time because it requires long-term vision. It also often requires going against the mainstream in society because you have to deal with issues that are taboo for many people. As Ambassador Lennart said earlier today, AIDS is about sex and in some countries it's about drugs or other things that are either illegal or that do not conform to official or societal norms. In many cases, politicians will not win votes for acting in progressive ways on these issues. But the time should soon come when political leaders are voted in or out of office based on their performance on AIDS – then AIDS will have become a truly societal issue.

A second encouraging development is the real political momentum in wealthy countries to support the global AIDS response. Two years ago, President Bush promised in a State of the Union Address to provide \$15 billion for the response in low- and middle-income countries – that was a defining moment in terms of resource mobilization. We moved from the 'M' word to the 'B' word – from the millions to the billions. Since then many other countries have followed. But it's important to remember that countries like Sweden have for years given far more in per capita terms – they were the real leaders. And so I am honoured to be sharing the podium with my friend Ambassador Lennart. He has been a true ambassador for global action on AIDS. He was also the very first ambassador on AIDS, and it is a positive sign that there are now about 6 countries that have appointed AIDS ambassadors.

A third front on which there is very clear momentum is financing. When we started UNAIDS 8 years ago, about \$200 million was spent on AIDS in low- and middle-income countries, almost all of it external funding by bilateral and multilateral donors. There's no way that you can tackle such a complex issue with \$200 million a year. In sharp contrast, last year we estimated around \$6.1 billion was spent on AIDS in low- and middle-income countries, half it from domestic sources, a clear indication of the growing commitment of these countries.

And, finally, there is a momentum of evidence, of irrefutable proof from every continent that the AIDS epidemic is a problem with a solution, that our efforts are not hopeless. This is very clear – our ability to succeed against AIDS. In Thailand, 140,000 people were infected every year in the early 1990's – now it's down to 20,000 new infections annually. And Cambodia has also succeeded in bringing down the rate of new infections, despite having to address many competing problems.

So, for both better and for worse, the global picture on AIDS is changing very swiftly. Certainly, by now no institution that is dealing with economic and social development can claim to have a valid reason for not incorporating AIDS into its core business. Again, I am happy that ADB is seized with this issue.

I want to come back to discussing the situation in Asia and the Pacific in light of the points I have already made. There is no room for complacency about the epidemic in the Asia-Pacific region.

One out of every five people newly infected with HIV is now an Asian. Ten years ago that was not even 1 out of 10. And in Papua New Guinea, where I have just come from, close to 2 per cent of the population is HIV positive. The country is on the verge of a true epidemic. It already has major problems in terms of development and AIDS is going to worsen its prospects.

And everywhere in Asia and the Pacific, you have the factors that result in HIV epidemics. You have poverty – and poverty and AIDS are totally interrelated. Poor people migrate. Poverty breaks up families. There are floating populations by the hundreds of millions in Asia. All of them are especially vulnerable to HIV. At the same time, in many parts of Asia you have rapid economic growth and social change – these create a set of conditions that make better-off people vulnerable too. This is what is happening now in parts of China, Vietnam and elsewhere – the most entrepreneurial members of society, who generally are risk-takers, now have money to spare in an environment where sex is cheap.

There is also no room for complacency because AIDS is already causing staggering economic losses in the Asia-Pacific region. This is very clear from the study we did last year with the ADB. I can tell you that the assumptions used in the study are very much on the conservative side. But even then the toll is huge. The study estimated that economic losses in Asia-Pacific resulting from AIDS totaled \$7.3 billion in 2001, and could cross \$17 billion annually by 2010. The study also drew international attention to the fact that the impact of AIDS on poverty is particularly swift and direct. For example in Cambodia, AIDS will slow down the rate of poverty reduction by 60% every year between 2003 and 2015. That is cause for serious concern.

Finally, there is no room for complacency because the Millennium Development Goals, of which AIDS is number six, are interdependent. It is an illusion, as I have seen in some countries, to think that we can achieve this MDG and not another – or

delay dealing with some until a later point. That's not the way it goes. If you don't invest in education, that will have an effect on all the MDGs. If AIDS is not brought under control we can forget about progress on the other MDGs.

To end, I would like to move to the question, 'What is the roadmap?' We know what to do. We've got enough experience now. I will draw your attention to four key points.

The first is the over-riding issue of leadership. As I mentioned earlier, the AIDS epidemic is one of the greatest contemporary challenges to leadership.

The second is that the Asia-Pacific region has an incredible opportunity: the overwhelming majority of people, 99-plus per cent, are not infected. We have to keep it that way. We know from projections, from economic studies, from what is happening in other continents, that with AIDS the only choice one has as a society is to either act now or to pay later. With AIDS, the longer you wait to act, the more expensive the bill becomes. The more people who become infected, the greater the costs of treatment – and treatment is expensive. The more children who become orphans, the greater the costs. So investments made today have an enormous pay-off by any standards.

The third point is that there is still a large funding gap. Many countries are not even investing the minimum sums needed for prevention and treatment. We are not talking about impossible figures. Our estimates are that a minimum of about \$4 billion is needed for Asia and the Pacific to organize prevention for everybody and to make sure that those living with HIV have access to treatment.

The fourth and final point is that we need a comprehensive response. We do not have to choose between treatment and prevention – we need both. And we need all sectors of society to be engaged. In acting against the epidemic, we have to address the stigma, discrimination and shame associated with HIV/AIDS – which make it hard for political, business and religious leaders to speak up – and that must be our overriding agenda, to ensure the involvement of every sector of society. I remember that in Thailand in 1990, the first measure declared by the Prime Minister was that every TV and radio station – public or private – had to allocate a minimum number of minutes every day to AIDS messages. That probably saved more lives than any medical intervention. And so we really need an engagement of all sectors. In some countries, business is very engaged but in others not sufficiently so. Yet AIDS affects the bottom-line of business everywhere. In self-interest alone, businesses would want to have a workforce that is healthy and consumers who spend money on products rather than on funerals. As Mechai, the famous Thai AIDS activist has said, 'dead customers don't buy'. And in many countries, but not all, religious leaders are also centrally engaged in the response. Ten years ago, I thought that organized religion was perhaps the biggest obstacle to my work. Today, I find it can be the greatest ally.

In essence, the AIDS pandemic has changed the world in very fundamental ways. It has required individuals to change their behaviors, for instance, by adopting safer sex practices. The pandemic has also required institutional behavior change. Businesses need to adapt to this new reality. Development banks have to adapt. The UN system has to adapt and that is why UNAIDS was created, bringing together 10 UN system organizations, including the World Bank. I'm very happy that you are the first regional bank that has become engaged in responding to the epidemic. I'm looking forward to our collaboration and the test now is to make our collaboration lead to real results at the country level.

Thank you.