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The Press Release Announcing the Pricing Agreement

[The following press release was issued on 6 April 2004 by the William J. Clinton Foundation, The Global Fund, UNICEF, and The World Bank.]

6 April 2004

New Agreements Aim to Make Lowest-Priced AIDS Drugs and Diagnostics Available to Hundreds of Thousands of Patients Throughout the Developing World

Global Fund, World Bank and UNICEF join with the Clinton Foundation to extend deep price reductions under Clinton-brokered agreements

Geneva, New York, Washington — The Global Fund, the World Bank, UNICEF and the Clinton Foundation today announced agreements that will make it possible for developing countries to purchase high-quality AIDS medicines and diagnostics at the lowest available prices, in many cases for more than fifty percent less than is currently available.

Today's agreements will pave the way for countries supported by the Global Fund, the World Bank and UNICEF to gain access to drug and diagnostic prices negotiated by the Clinton Foundation. Beneficiaries of Global Fund and World Bank grants who are interested in accessing these agreements should contact the Clinton Foundation to initiate the process that is provided for under the Clinton Foundation's agreements with its suppliers. Countries will be required to provide guarantees of payment, to conduct long term tenders and to ensure the security of drug distribution. The Global Fund, World Bank and UNICEF will support their funding recipients in complying with these terms, as consistent with their policies and existing practices. As a result of these agreements, the Clinton Foundation will work with its suppliers to find ways to make the low-priced medicines and tests available to more countries as soon as

feasible.

The Global Fund and the World Bank are among the world's largest sources of funding commitments to AIDS treatment. The Global Fund focuses more than 60 percent of the \$2.1 billion committed for two years to 122 countries to the fight against AIDS. The World Bank has currently committed \$1.6 billion to fight AIDS through the Multi-country HIV/AIDS Programs (MAP) and other AIDS operations, including grants for the poorest countries. UNICEF spent \$111 million during 2003 in the fight against AIDS and is rapidly accelerating the procurement of antiretroviral medicines (ARVs) and AIDS diagnostic equipment and tests for developing countries.

The prices have been negotiated by the Clinton Foundation with five manufacturers of ARVs and five manufacturers of HIV/AIDS diagnostic tests. These prices were announced originally in October 2003 and January 2004, and to date they have been available to the 16 countries in the Caribbean and Africa where the Clinton Foundation's HIV/AIDS Initiative is active.

The drugs in these agreements include individual formulations and two- and three-drug fixed dose combinations which have been pre-qualified by the World Health Organization to assure quality and efficacy. This standard is a prerequisite for procurement under Global Fund, World Bank and UNICEF policies.

These medicines are critical components of the four regimens recommended by the World Health Organization as "first line" treatment for AIDS in its 3x5 initiative. In developing countries outside of Brazil, such life-sustaining therapy is available to fewer than 200,000 people living with the virus, though almost six million require it. Recent commitments of financial support for treatment, along with these lower prices for drugs and tests, can expand this coverage significantly.

The pharmaceutical manufacturers included in these agreements are Aspen Pharmacare Holdings in South Africa; Cipla in India; Hetero Drugs Limited in India, Ranbaxy Laboratories in India; and Matrix Laboratories in India. The price for the most common first line formulation under these agreements is as low as \$140 per person per year, one-third to one-half of the lowest price otherwise available in most settings.

The diagnostic tests included in these agreements are offered by five leading medical technology companies and include CD4 tests from Beckman Coulter, Inc. and BD (Becton Dickinson and Company) and viral load tests from Bayer Diagnostics, bioMérieux and Roche Diagnostics. The prices available for these tests under the agreement include machines, training, reagents and maintenance and are up to 80% cheaper than otherwise available in the market.

Speaking about these agreements, former U.S. President William J. Clinton said, "I am grateful for this collective effort, which will soon help many hundreds of thousands of people, and eventually millions of people, live longer, healthier lives. With these agreements, we are one step closer to making sure future generations can live without the scourge of AIDS. We are hopeful that developing countries and those who support them in the fight against AIDS will take full advantage of this agreement and act quickly to do all they can to help in this fight."

Richard Feachem, Executive Director of the Global Fund, affirmed that, "Access to HIV treatment for all who need it is a moral imperative and now the target of growing financial commitments. Today's agreements build on sound science, agreed policy and market economics to maximize the reach of those commitments. As a result, hundreds of thousands of additional people will receive the drugs they need to stay alive and remain healthy."

According to the agreements announced today, the governments and NGOs supported by Global Fund,

World Bank and UNICEF policies will be able to use the resources of these organizations to procure drugs and tests available under the Clinton Foundation arrangements. These agreements are consistent with existing policies of all three international organizations.

World Bank President James Wolfensohn said of today's announcement, "We regard AIDS as being the single most important issue at the moment in Africa because of the devastating effect that it has had throughout the Continent, and it is not something that is deferrable to discussions of economic or other issues. The emerging epidemic in Asia, Europe and Central Asia and the Caribbean is also a tremendous concern. This initiative will help to get treatment to those most in need – the world's poorest people. The World Bank is pleased to be a partner in the program and fully supports it."

The Executive Director of UNICEF, Carol Bellamy, added, "This new partnership works to break down some of the barriers – – such as price, supply and demand – – that are impeding access to life-saving AIDS medicines and diagnostics in developing countries. UNICEF is very proud to be part of this creative initiative that promises to save lives and bring hope to millions of children and families around the world."

The Clinton Foundation, Global Fund, World Bank and UNICEF are committed to exploring additional forms of cooperation to expand treatment access.

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The Global Fund is a unique and independent global public-private partnership dedicated to attracting and disbursing additional resources to prevent and treat AIDS, tuberculosis and malaria. This partnership between governments, civil society, the private sector and affected communities represents a new approach to international health financing. The Global Fund works in close collaboration with other bilateral and multilateral organizations to supplement existing efforts dealing with the three diseases.

In 2003 the World Bank provided \$18.5 billion and worked in more than 100 developing countries, bringing finance and/or technical expertise toward helping them reduce poverty. In addition to financial assistance, the Bank is also a major provider of implementation support for HIV/AIDS programs through direct provision of expertise (especially fiduciary), dissemination of good practice and lessons learned, and sponsorship of country-to-country learning. The World Bank is also working with all major stakeholders in scaling up antiretroviral therapy and its recently issued technical guide, "HIV/AIDS Medicines and Related Supplies: Contemporary Context and Procurement" sets out principles and advice to countries and has generated many messages of support and appreciation from UN agencies, donors, policymakers, and NGOs. For more on the Bank's work in the area of HIV/AIDS, visit: www.worldbank.org/aids

UNICEF works in 158 countries to ensure that all children survive and thrive through adolescence. UNICEF's efforts on the ground emphasize immunization and micronutrients; the best start in life, including safe water and sanitation, basic health and nutrition, and loving interaction; education for all children; fighting HIV/AIDS and caring for children orphaned by the disease; and a protective environment that shields children from abuse, exploitation and violence. UNICEF is funded entirely by voluntary contributions from governments, foundations, businesses and individuals.

The Clinton Foundation HIV/AIDS Initiative has been at work for more than a year helping individual governments in Africa and the Caribbean to develop scalable AIDS care, treatment and prevention strategies. In the Caribbean, the Foundation is working with nine countries and three territories which together have over 90% of people living with AIDS in the Caribbean. In Africa, the Foundation is working with Mozambique, Rwanda, South Africa and Tanzania which together have about 33% of all people living with AIDS in Africa. The Foundation is also working to change the economics of HIV/AIDS care and treatment. The first agreements it has brokered have dramatically reduced the prices of ARVs and AIDS diagnostics.

