

Christine Lagarde
Managing Director and Chairwoman
International Monetary Fund

28 September 2018

Re: Urgent Request from Civil Society to Save Argentina from Looming Health Crisis

Dear Ms. Christine Lagarde:

As the Managing Director and Chair of the International Monetary Fund, we are respectfully writing to you as health and human rights organizations from around the world, to urgently request that you use your position to prevent the looming health crisis that Argentina's proposed austerity measures will provoke.

We are concerned that two proposed measures - the dissolution of the Ministry of Health and the significant reduction to the National AIDS Program (NAP) budget - will not only put lives at risk, which is clearly unacceptable in and of itself, but also will <u>not</u> result in the desired cost-saving outcome.

As the cuts announced by President Mauricio Macri in the National Budget Bill are directly related to achieving the targets set by the IMF, you are uniquely placed to influence Macri to ensure that access to anti-retroviral treatment, minimum public health standards, and human rights are safeguarded during the country's attempt to curb its currency crisis.

We have estimated that slashing the NAP budget by 50% in real terms, as proposed, would equate to nearly a third of people (30%) currently on HIV treatment – approximately 15,000 individuals – will be left without their life-saving medicines.<sup>1</sup>

Lives of Argentinians must not be the cost of austerity measures. We are severely concerned that treatment interruption for up to 15,000 people may not be rectified, even if the budget is restored to 'pre-austerity' levels. In this case, individuals without the means to pay for more expensive anti-retroviral treatment may die from a lack of access to treatment. This is unacceptable.

<sup>1</sup>The calculation of a 50% drop for the NAP budget is based on the following: An official document was leaked that estimates an annual inflation of 42% rate. The same document stated that the GNP would fall 2.6% in 2019. In 2018 the budget of the National AIDS Program was 120 million dollars. According to the Budget Bill sent to Congress by President Macri this week the budget for 2019 will be reduced in 43 million dollars. As most medicines are purchased from multinational pharmaceutical companies in dollars, 30% of people living with HIV on treatment will not have access to medicines.

Currently there are around 50,000 adults and children beneficiaries of the National AIDS Program who depend on the Ministry of Health to obtain their medicines. This means that if a budget reduction is approved, around 15,000 people living with HIV (PLHIV) will not have access to their treatments.

The Head of the National AIDS Program, Sergio Maulen resigned due to the reduction of the budget allocated to purchase medicines and the uncertainty of ensuring sustainable treatment for PLHIV and viral hepatitis.

Macri's reckless approach of saving the problem until later would be irreversible for many. Not only is this a flagrant breach of human rights, but if this situation is played out, it would put *more* pressure on the health budget. Treatment interruption will create long term financial liabilities that significantly exceed the costs of maintaining existing patients on treatment. There are three reasons for this. Firstly, individuals who stop their existing treatment may develop resistance to their existing anti-retroviral treatment, and would have to switch to newer, more expensive second or third line treatment regimens if and when they are able to resume treatment. Secondly, treatment is one of the single most effective measures to prevent additional HIV infections. With patients interrupting treatment, it is likely that there will be numerous new HIV infections that otherwise could have been avoided, each of which is a significant cost to the Argentinian economy and health budget. Thirdly, treatment interruption can lead to patients acquiring AIDS-related infections, including particular forms of cancer that would add to existing treatment costs.

In short, cutting the NAP budget in the name of austerity is a breach of human rights; detrimental to the economy; and risks unacceptable loss of life.

We are equally concerned with the headline-making move to dissolve or subsume the Ministry of Health as this signals a disturbing de-prioritization of health. Without a centralised, dedicated ministry, we forecast further cuts like the one the NAP is faced with. This loss is also likely to reverse the progress Argentina has made in working towards Universal Health Coverage (UHC).

This looming health crisis for Argentina also extends beyond national borders. While we are most concerned for citizens of Argentina, communicable diseases are of course borderless, and therefore a decision such as this, that lacks foresight, naturally has implications and consequences that go beyond Argentina.

We call on your support and influence to protect the human right to health for Argentina's citizens and urge you not to sit back and watch the country unravel its commitment to health and its progress to date. While the international community works to achieve SDG 4 and 90-90-90, as indeed has Argentina, these two ineffective 'austerity measures' would be a huge step backwards.

Please ensure Argentina does not irrevocably roll back on progress made towards health goals to date.

We urgently recommend that the IMF:

- 1. Requests President Mauricio Macri and his government to rework how the targets set by IMF are achieved, while safeguarding the Ministry of Health and maintaining the current level of funding committed to the NAP budget, in real terms.
- 2. Encourage Argentina to use the flexibilities allowed under the TRIPS Agreement in the interest of public health, including issuing compulsory licenses on medicines where price is a barrier to universal access. In the face of these austerity measures required by the IMF, Argentina clearly has the right to source cheaper, generic versions of drugs so that the Ministry of Health can afford to procure the medicines required to achieve universal health coverage.

We look forward to receiving your considered response for the benefit of Argentina's citizens and to reflect the importance of international health goals.

Yours sincerely,

Signatories:

Fundación Grupo Efecto Positivo- Argentina Red Argentina de Personas Positivas (Redar Positiva)- Argentina Red Latinoamericana por el Acceso a Medicamentos (RedLAM)