

Preface

I am pleased to introduce this volume on The Macroeconomics of HIV/AIDS, to be published by the IMF on World AIDS Day (December 1) 2004. This is the first IMF book to focus specifically on a public health issue. However, the HIV/AIDS epidemic is a matter of such serious concern—adversely affecting the development prospects of many of our member countries—that it calls for unprecedented actions. The effects of the epidemic touch on virtually all aspects of a country’s social, economic, demographic, and political development, and thus HIV/AIDS must be a major issue of concern to the IMF. The IMF’s experience in these countries increasingly reflects this reality. The studies collected in this volume are thus highly relevant to the work of the IMF.

Within its mandate, and in close cooperation with other development partners, the IMF is assisting member governments’ efforts to fight the epidemic and cope with its economic and development consequences. The IMF has endorsed the call by the United Nations Secretary-General for a global campaign in the fight against HIV/AIDS, and is collaborating with the UN community to expand country-level AIDS prevention and treatment programs. In December 2003, Horst Köhler, my predecessor as the IMF’s Managing Director, noted that “the IMF must do everything possible within the context of its mandate to assist the agencies that are in the front lines of the fight against HIV/AIDS.”¹

In terms of the IMF’s operational work, this means that IMF country teams have tried to take account of the epidemic’s adverse effects in their economic policy advice and, where applicable, in program design. More generally, concessional lending by the IMF and the World Bank, supported by Poverty Reduction Strategy Papers, and debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative, have financed poverty-reducing expenditures in many countries, frequently including measures to fight HIV/AIDS and mitigate its impact. Moreover, the IMF encourages

¹IMF Press Release No. 03/208.

donors to provide grants that finance enhanced service delivery as well as commit to a predictable flow of grant resources. This is particularly vital for AIDS treatment and prevention programs, because it would be highly disruptive if these programs could not make sustained financial commitments to health workers and patients alike.

There can be no doubt that the impact of HIV/AIDS, and the associated response of the international community, raises issues that go much beyond the core areas of experience of the IMF, or for that matter of any individual international organization. Close cooperation among the relevant UN agencies as well as other international organizations combating HIV/AIDS will be critical for an effective response to the epidemic. This volume exemplifies the value of such cooperation, representing a collaboration of staff members from several international organizations, government agencies, universities, and independent research institutes, including the Center for Global Development, the International Labor Organization, the International Monetary Fund, the Joint United Nations Programme on HIV/AIDS (UNAIDS), the London School of Economics, the U.S. Bureau of the Census, and the World Bank.

The publication of this volume on World AIDS Day 2004 marks an important contribution by the international community in its effort to address the consequences of this epidemic. However, as the epidemic continues, in the words of the Secretary-General, its “lethal march,” there can be no reason for complacency. The fight against HIV/AIDS and its dire consequences requires our continuing best efforts to reduce the numbers of new infections, provide treatment to people living with HIV/AIDS, and assist affected individuals and countries facing severe epidemics to mitigate its adverse social and economic impact.

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