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AN ANALYSIS OF THE FISCAL ISSUES OF HIV/AIDS AS AN EPIDEMIC: A SOUTH AFRICAN PERSPECTIVE

R. Schoeman

School of Public Management and Administration
University of Pretoria

D. Fourie

School of Public Management and Administration
University of Pretoria

ABSTRACT

The budgetary allocations that a government makes to respond to the Millennium Development Goals (MDGs), and especially HIV/AIDS are measurements of its commitment to poverty alleviation and addressing the HIV/AIDS epidemic. These budgetary allocations have a direct effect on a state's ability to effectively plan, co-ordinate and implement plans. Increasing donor aid to developing countries has put the spotlight on government's ability to absorb and spend the additional funding in a sustainable way. In the developing countries government is the major producer, employer and provider of social and welfare services. The AIDS pandemic will probably affect poor countries governments' ability to deliver services and goods, and its efficiency.

INTRODUCTION

The budgetary allocations that a government makes to respond to the Millennium Development Goals (MDGs), especially HIV/AIDS are measurements of its commitment to poverty alleviation and addressing the HIV/AIDS epidemic. These budgetary allocations have a direct effect on a state's ability to effectively plan, coordinate and implement plans. Increasing donor aid to developing countries has put the focus on government's ability to absorb and spend the additional funding in a sustainable way.

A government and specifically in a developing country a government is the major producer, employer, and provider of social and welfare services. The AIDS pandemic will

probably affect poor countries governments' ability to deliver services and goods, as well as its efficiency. Governments of countries that have a significant HIV prevalence face challenges such as greater calls on their resources, and a disease that reduces its financial and personnel capacity. Whether a government wins or loses the battle against HIV/AIDS is decided mainly within the domain of politics and the successes of AIDS interventions are determined by political will and action. The Millennium Declaration of 2000 led to the adoption of the Millennium Development Goals (MDGs), and in 2004 the adoption of Resolution 50/225 on Public Administration and Development in the General Assembly of the United Nations.

The resolution on public administration emphasised the critical role of partnership of the public sector with the private sector and civil society as agent for development and growth. The Committee of Experts on Public Administration made it clear that without strong and effective institutional structures and partnerships the MDGs would probably not be achieved. The Committee also addressed issues such as good governance, capacity building, transparency and accountability at institutional level. The critical role that public administration plays in the achievement of the MDGs and all the features surrounding it such as donor funding, the international fiscal environment, poverty, growth and sustainable development cannot be underestimated. While partnerships for resource mobilisation at the international level is important and should continue national governments should apply themselves to look at options that would strengthen their own resources at domestic level.

THE INFLUENCE OF AIDS ON DEVELOPMENT

Currently there are approximately 5 million South Africans living with HIV (Nelson Mandela Foundation 2005: 33). It is estimated that in 2004 over 2 000 people were infected with HIV daily – translating to more than 730 000 people infected each year. AIDS had been documented more than twenty-five years ago and about twenty years ago HIV was identified as a causative agent for AIDS. The primary means of HIV transmission – sexual intercourse – has been known for over a decade, but that information does not prevent thousands of men and women from contracting the virus every day. With an estimated current national prevalence rate of 10,8% (Nelson Mandela Foundation 2005: 33) the support of political, governmental, community and business leaders at country level is critical to the implementation of effective HIV/AIDS programmes. Furthermore, AIDS is a key challenge for development with its direct effects a complex issue. AIDS is not 'just' a health issue. It not only affects countries with high HIV prevalence levels, it also affects all countries at global level.

Government expenditure will rise in the areas of health, poverty alleviation, employment, orphan allowance, recruitment/training, destitute allowance, pensions and education. As the expenditure increases the revenue will decrease. Not all countries in sub-Saharan Africa are as fortunate as South Africa and Botswana with economies that grow. Even in South Africa, the growth rate would have been higher if AIDS had not been a factor (Barnett & Whiteside 2002: 303).

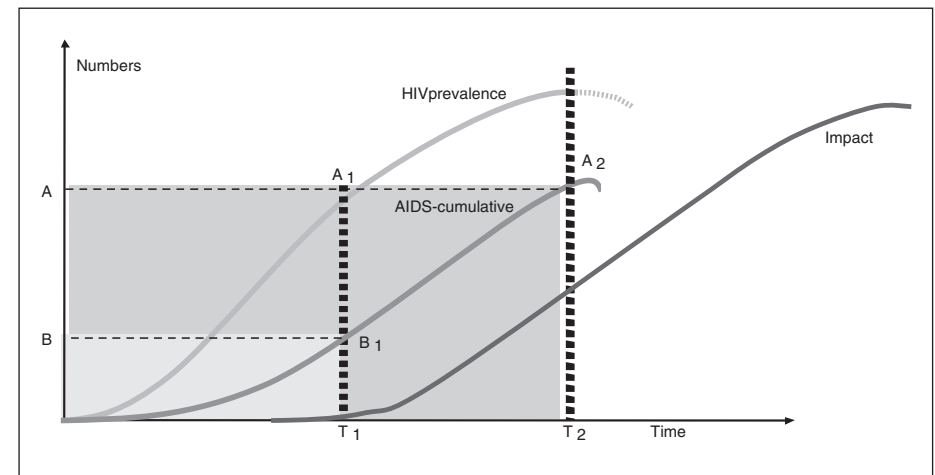
Figure 1: Adults and children estimated to be living with HIV in 2005



Source: UNAIDS 2005. AIDS epidemic update, December 2005. Geneva: UNAIDS.

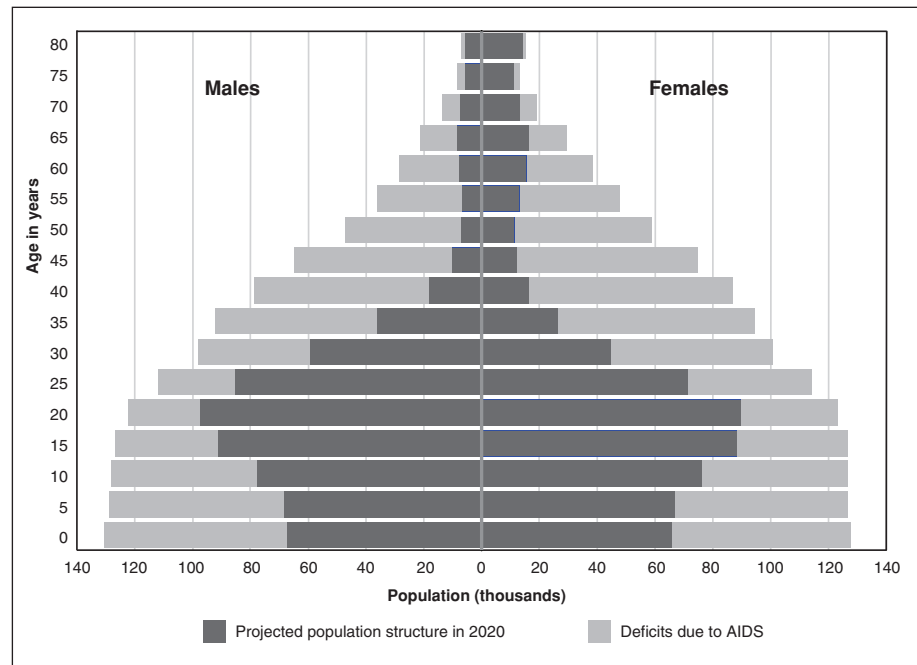
The above map (Figure 1) shows clearly that sub-Saharan Africa is worst affected by HIV/AIDS with more than two thirds of all HIV positive people living in this region. The people living in this region already face challenges such as increased illness and death because of malaria and infectious diseases, extreme poverty and food insecurity, unemployment and political instability (Schaefer, 2004: 1). All of the previous challenges are serious in themselves, but if HIV/AIDS is also added on, most of the health and socio-economic conditions of the poor people become disastrous.

Figure 2: Epidemic curve of HIV, AIDS and impact



Source: Whiteside, A. 2005. An overview of the HIV/AIDS epidemic in Eastern and Southern Africa. Presentation at the Joint UN, Sida and Norad Meeting in Johannesburg, 16-18 November 2005.

Figure 3: Projected population structure of Botswana 2020



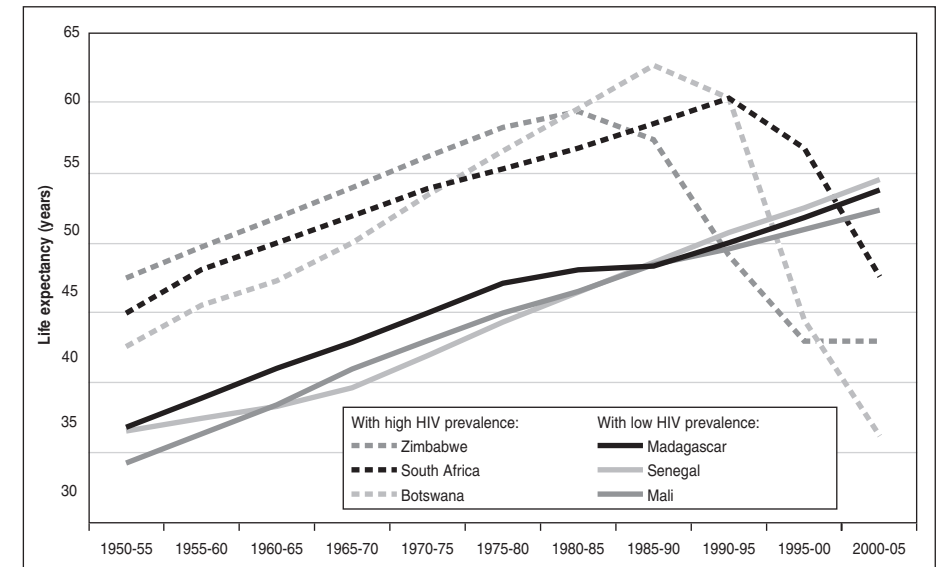
Source: Whiteside, A. 2005. *An overview of the HIV/AIDS epidemic in Eastern and Southern Africa. Presentation at the Joint UN, Sida and Norad Meeting in Johannesburg, 16-18 November 2005.*

The consequence of HIV infection is that people fall ill and die of AIDS. It strikes adults at their most economically productive years; hence HIV/AIDS will have a greater social and economic impact than many other diseases in developing countries. The effects of AIDS are complex and can best be described with three curves (Figure 2). Most of what will happen is still in the future. The first curve represents the people who are becoming infected with HIV.

The epidemic starts slowly and gradually and when a critical mass of HIV infected people is reached, the growth of new infections increases fast. At this stage the epidemic spreads through the whole population and all who are susceptible and have been exposed to HIV would have been infected. At the final stages of the HIV epidemic the 'S' curve will start to flatten out, either because people are getting well or, in the case of HIV, the deaths even out the number of new infections. In most infectious disease outbreaks at this stage the curve will decline very quickly, but not so in HIV and AIDS.

Many years later, a new S-curve is now forming, following the same pattern as the first curve. The AIDS curve follows about seven years after the HIV curve due to its long incubation period. The only way that people will leave the infected pool is death, as there is, yet, no cure for HIV. Anti-retroviral medication can prolong life and make people well again, putting them back into the HIV curve, thus increasing the pool of infected people. A new curve, the impact curve, follows the AIDS curve. The impact curve follows

Figure 4: Life expectancy in selected African countries with low and high HIV prevalence, 1950-2005



Source: UNAIDS 2002. *Report on the global HIV/AIDS epidemic.*

approximately seven years after the AIDS curve and fourteen years after the start of the HIV curve. Impact can be measured at demographic, political, economical, personal and community levels. Examples of the impact of HIV/AIDS are orphans left to fend for themselves, people losing their jobs because they are too ill to work and children taken out of school to help sick parents, to name but a few.

The HIV/AIDS epidemic can be described as a long wave event with demographic, political and economical consequences. Life expectancy will decrease and the population growth will slow down (Figure 3). The population structure will also change. All these factors will have an impact on the government and its administration.

In the above graph (Figure 4) it is clearly portrayed that countries with a high HIV prevalence rate will have a marked reduction in life expectancy. According to the World Bank (Bollinger & Stover 1999: 8), the HIV/AIDS epidemic appears to be a major reason why per capita growth is slowing down in sub-Saharan countries. Poverty is expected to increase and development to falter due to the epidemic's effects on households, governments, businesses and national economies.

HIV/AIDS AND THE MILLENNIUM DEVELOPMENT GOALS

The international community has agreed on development goals. The aim is to use the eight Millennium Development Goals (MDGs) as a blueprint to meet the needs of the world's poorest people. These development goals have influenced the develop-

ment agendas and policies of most of the major donors and donor agencies. However, the potential impact of HIV/AIDS on development is such that all the development goals will be jeopardised should the HIV/AIDS pandemic not be addressed as part of each one of the MDGs (Table 1).

Table 1. The impact of the epidemic on the MDGs

Millennium Development Goals		Impact of HIV/AIDS
Goal 1	To wipe out extreme poverty and hunger	<ul style="list-style-type: none"> • Household capacity • Food security • Orphans and vulnerable children
Goal 2	To ensure primary education for all	<ul style="list-style-type: none"> • Child labour • Child-headed households • Orphans and vulnerable children • Loss of teachers
Goal 3	To promote gender equality and the empowerment of women	<ul style="list-style-type: none"> • Girls withdrawn from school • Women's higher vulnerability • Poverty • Transactional sex
Goal 4	To reduce child deaths	<ul style="list-style-type: none"> • Need to roll-out prevention from mother to child transmission (PMTCT) • Paediatric anti-retroviral treatment
Goal 5	To improve maternal health	<ul style="list-style-type: none"> • Need to roll-out prevention from mother to child transmission (PMTCT) • Cost of antiretroviral treatment
Goal 6	To combat HIV/AIDS, malaria and other diseases	<ul style="list-style-type: none"> • HIV/AIDS 'lost' in other medical emergencies

Source: Sandström, A. 2004. *Dialogue, mainstreaming and direct support. Presentation at HIV/AIDS and Economists Workshop, Lusaka, Zambia 23-25 February 2004.*

Despite official development assistance from the rich countries, the sub-Saharan Africa region has lagged far behind in the human development indicators. The region is the only one in the world that is not on track to achieve a single target of the Millennium Development Goals (Schaefer 2004: 3). Although the region has had a growth rate of 5,8% during 2005, it was mainly due to the high growth rate in Angola (19,1% due to oil revenues), Mozambique and South Africa (Conference of African Ministers 2006:section 2.2). The overall development indicators remain below the target set for the MDGs and the progress in the fight against poverty, diseases, gender inequality and illiteracy remains slow. As illustrated in Table 1 the six of the Millennium Development Goals are not being achieved mainly due to the failure of sub-Saharan African governments' lack of adequate response to the AIDS epidemic. The AIDS epidemic exacerbates the plight of poor people

with many parents dying, with the result of loss in income and food security: children, especially the girl child being taken out of school to work; death of infants and mothers and the increase of other diseases such as tuberculosis and malaria.

MAINSTREAMING HIV/AIDS IN DEVELOPMENT WORK

The HIV/AIDS pandemic remains a threat to people's health and life, both for the infected and the affected. The demographic, social and economic consequences are huge as it is mainly young people that are infected. Old people are deprived of support from younger people and children are left without parental care, having to take on responsibility for their siblings at an early age. Communities are weakened and children and elders are left without care. The additional demands on health care and social security do not match with delivery capacity to the demand even at basic level of health, education and social security. Unequal gender relations are key factors in the spread of HIV/AIDS, including women's lack of power to negotiate about protected sex.

Governments face special challenges from HIV/AIDS: greater calls on its resources and a disease that cuts away at financial and personnel capacity (Barnett & Whiteside 2002: 298). There is not adequate data available concerning the impact on government, but it can be assumed that all government departments will be effected, both internally and externally. Internally, government needs to embark on prevention programmes for government employees who are HIV negative and treatment programmes for employees who are HIV positive to prolong their productive lives and addressing issues such as employee benefits, impact on government and institutional audits. The external response of government will have to deal with prevention programmes at community level, the impact of AIDS on core activities and service delivery.

According to Barnett and Whiteside (2002: 299), AIDS affects two key areas of government:

- government as a collector and spender of revenue and as a service provider, and
- governance: the style, manner and legitimacy of government.

Mainstreaming HIV/AIDS means that HIV and AIDS must be brought to the centre of the development agenda and this requires change at individual, departmental and organizational levels. UNAIDS states that mainstreaming AIDS in development work aims at the enhancement of development practices so as to improve its effort to the AIDS response (UNAIDS 2003: 2). It also means that AIDS must be incorporated into the national responses of government's development programmes so that the epidemic can finally be turned around. A more expanded definition by Eley is "Mainstreaming HIV/AIDS can be defined as the process of analyzing how HIV and AIDS impacts on all sectors now and in the future, both internally and externally, to determine how each sector should respond based on its comparative advantage" (Eley & Kutengule 2003: 12). Although there are many different definitions of mainstreaming, scholars generally agree that mainstreaming HIV/AIDS is not business as usual and it is not changing core functions and responsibilities, but rather viewing it from a different angle and realizing that some things must change (Eley & Kutengule 2003: 14).

CHANGING FISCAL ENVIRONMENT OF OFFICIAL DEVELOPMENT AID

Although the first AIDS cases were recorded in 1982, it was not until the 1990s that the pandemic became widely spread in the rest of the world and especially in sub-Saharan Africa. Despite the known consequences of the epidemic and the numerous warnings by scholars, the development community and governments were, and still are slow to respond. Many sub-Saharan African governments are dependent on donor funding for their HIV/AIDS programmes. Many sub-Saharan African governments also struggle with corruption, governance issues and unstable political climates. Through the years the donor community applied different styles of support to underdeveloped countries, from sector-wide support to project support, and overall these support modalities have failed. With the Millennium Development Goals' results to be reached by 2015, the rich countries and the developing countries came to the realisation that something extraordinary should be done. The year 2005 will be known for the year in which donor and aid efficiency was tackled by the whole development community that culminated in the Paris Declaration on Aid Effectiveness.

Following World War II, the whole world started to change politically, especially with regard to colonisation. Many colonies gained their independence and the previous colonisers commenced with aid to their former colonies. The terminology of development started to emerge and the rich developed countries in the north were called the first world and the poor countries in the south were called the third world. Later the terminology was changed to developed, developing or under-developed countries, to be politically correct.

The primary motivation of foreign aid in the 1950s was to stimulate growth in the recipient country with an end result of becoming sustainable. Aid was perceived as a source of capital to generate economic growth through increased investment (Tarp 2000: 23). During the late 1950s the rationale for aid changed from mainly development oriented to security focused. The USA considered aid as a means to deal with the security threat of communism in the developing and under-developed world (Tarp 2000: 23).

During the 1960s bilateral programmes were established, and during the 1970s the multi-laterals were expanded. The World Bank and International Monetary Fund (IMF) started to play an increasingly important role in foreign aid. During this period poverty alleviation and debt relief have emerged as the aid modalities favoured by bilateral programmes and multilateral funding. From the 1980s until the end of the millennium, the aid system has changed the type of aid many times. The donor community realised that a more multifaceted understanding of the whole development process needs to be taken into account. The role of finance in relation to other factors such as institutions, governance, human capital, geography and knowledge is crucial in the development process (Bezanson 2005). Donors have come to understand that financial assistance is necessary, but inadequate for development.

At the beginning of the 21st century, the official development assistance (ODA) was troubled by many factors. The increase in the number of donor institutions has created a

Table 2: Main developments in foreign aid

Period	Institutions	Donor philosophy	Donor focus	Aid modalities
1940+	<ul style="list-style-type: none"> Marshall Plan UN system Brettonwoods Institutions 	Planning <ul style="list-style-type: none"> Role of state gains importance Anti-communist 	<ul style="list-style-type: none"> Economic growth Reconstruction 	Programme aid
1950+	<ul style="list-style-type: none"> United States of America Soviet Union in second half of 1950 		Community development	Food aid
1960+	Bilateral programmes established Growth of multi-laterals: <ul style="list-style-type: none"> World Bank IMF Arab-funded agencies 	<ul style="list-style-type: none"> Role of the state important Support productive sector 	<ul style="list-style-type: none"> Productive sectors Infrastructure development 	Bilaterals provide: <ul style="list-style-type: none"> Technical assistance (TA) Budget support Multilateral supported projects
1970+	<ul style="list-style-type: none"> Civil society become visible Increase of NGOs 	<ul style="list-style-type: none"> State activities supported Productive sector support Meeting basic needs 	<ul style="list-style-type: none"> Poverty Agriculture Basic needs 	<ul style="list-style-type: none"> Food aid decline Import support commence
1980+	<ul style="list-style-type: none"> Eastern Europe become recipients of aid Emergence of corresponding institutions 	Market-based adjustment	Macro-economic reform	<ul style="list-style-type: none"> Debt relief Financial programme aid
1990+	<ul style="list-style-type: none"> Bilaterals Multilaterals Recipient countries 	Move back to the state	<ul style="list-style-type: none"> Poverty Governance 	Sector support
2000+		<ul style="list-style-type: none"> Aid effectiveness Harmonisation Coordination 	<ul style="list-style-type: none"> Poverty Governance Alignment 	Budget support

Adapted from: Tarp, F. (Editor). 2000. *Foreign aid and development: Lessons learnt and directions for the future*. London: Routledge.

complex and untidy array of ODA organisations (Bezanson 2005). There was a fast and uncoordinated growth of private donors and funding flows that led to replication and overlap. It became increasingly clear that donors and recipient countries should rethink ODA to change it into an effective development financing system.

The Paris Declaration on Aid Effectiveness in April 2005 is a statement of intent on the ownership, harmonisation, alignment, results and mutual accountability of donors and recipient countries (World Bank and International Monetary Fund 2005). This declaration calls for budget support, alignment of donors' agendas to those of the partner countries, the harmonising of donor activities and the mutual accountability of donors and partners for development goals.

ESTABLISHMENT OF INTERNATIONAL GOALS INFLUENCING DEVELOPMENT

Modern technology and especially telecommunications technology, has created a global village with the result that news of events that in the past may have taken days or even weeks to reach the international arena, now reaches the world in hours, even minutes. Should journalists be on the scene through direct broadcasting, events could be followed worldwide as it unfolds. The live broadcast of the aeroplane crash into the second tower of the World Trade Centre on 11 September 2001 is an example of a blow-by-blow newscast. The decisions that governments take and its consequences are no longer a country's own affairs, especially if such decisions should violate the human rights of its own citizens or those of neighbouring countries. The globalisation of events has also created a platform for international goal setting, especially in the development field (Whiteside 2006: 328). The nations of the world have created several forums to deal with goal setting and its implementation. Of these, the United Nations had been one of the first organisations to be established.

THE UNITED NATIONS

The United Nations was established on 24 October 1945, with the ratification of the United Nations Charter by China, France, the Soviet Union, the United Kingdom and the United States of America (United Nations 2006). The purposes of the United Nations are to uphold peace and security, cultivate friendly interaction among nations, co-operate to solve international economic, cultural and humanitarian problems and to promote respect for human rights. The United Nations as an organisation will be the centre for harmonising the actions of nations to achieve these goals (United Nations 2006).

The Organisation for Economic Co-operation and Development (OECD) had been established in 1961 with twenty original members, mostly west European countries, the United Kingdom, Canada and the United States (OECD 2003). Since then, many countries have joined the OECD and even South Africa is contemplating membership. The OECD goals are to achieve sustainable economic growth with the aim of raising the living standards in member countries, and also to assist with the economic growth in non-member

states. The OECD has set up several specialised committees to achieve its goals of which the Development Assistance Committee (DAC) was established to oversee aid, aid effectiveness and also to harmonise aid.

In September 2000 the General Assembly of the United Nations adopted Resolution 55/2: The United Nations Millennium Declaration (United Nations 2000: 1). World leaders agreed at the subsequent United Nations Millennium Summit to the Millennium Development Goals, a set of time-bound and measurable goals for combating hunger, poverty, illiteracy, disease, discrimination against women and environmental degradation. During 2002 at the International Conference on Financing for Development in Monterrey, Mexico, developed and developing countries committed to these Millennium Development Goals (MDGs) by corresponding these commitments with resources and action. These MDGs gave recognition to the world's collective responsibilities as well as to nation's individual responsibilities to uphold the principles of human dignity, equality and equity at global level (United Nations 2000: 1).

THE AFRICA COMMISSION

The Africa Commission reported in 2005 by means of a comprehensive report *Our common interest* (Commission for Africa 2005) that poverty and stagnation in Africa are the greatest tragedy of modern times that demands a forceful response. Although Africa has made some improvements in economic growth and governance, the continent needs accelerated reform, both from the developed world and Africa to pull itself out of the cycle of poverty. The Commission proposed a 'coherent package' for Africa's upliftment, including governance and capacity building, peace and security, education, public health, HIV/AIDS, growth, poverty reduction and, more and fairer trade. The report calls for an additional US\$ 25 billion per year, in aid to implement the package (Commission for Africa 2005).

THE GLENEAGLES SUMMIT

During July 2005 leaders of the eight richest industrialised countries met in Scotland for their annual summit. The MDGs, development challenges facing sub-Saharan Africa and debt relief for the world's poorest countries were on the agenda. The G-8 leaders together with the leaders of Algeria, Ethiopia, Ghana, Nigeria, Senegal, South Africa, Tanzania as well as the heads of the African Union Commission, the International Monetary Fund, United Nations and World Bank discussed Africa and development issues (G-8 2005). Although the Summit recognises the gains already made by Africa, it has been stressed that a comprehensive plan is needed to support Africa's progress. Issues such as peace and security, democracy, growth and action to combat HIV/AIDS and other diseases, were given special attention. The G-8 agreed to double aid for Africa by 2010 and write off the debt of the eligible heavily indebted poor countries. African leaders were urged to set out their own commitment to implement plans to reduce poverty and promote economic growth.

Over the last five years official development assistance has grown from US\$53,6 billion to US\$ 61,1 billion, with the result that resources for HIV/AIDS have reached US\$6 billion by 2004 (Poku 2006: 351). UNAIDS estimated that sub-Saharan Africa alone will need about US\$7 billion to turn the epidemic around. At the Gleneagles Summit the promise of increase in aid was made, but most of the aid was earmarked for emergency relief rather than the development aid needed for investment in growth (Lake & Whitman 2006: 105).

THE 2005 WORLD SUMMIT

During 14-16 September 2005, about 150 world leaders participated in the 2005 World Summit in New York. The promotion of international security and ways in which to achieve the Millennium Development Goals were on the Summit's agenda. The main discussion points were: freedom from want, freedom from fear, freedom to live in dignity and the strengthening of the United Nations (United Nations General Assembly 2005). In the resolution adopted by the United Nations General Assembly, the Millennium Declaration as well as the promises made at the Gleneagles summit was reaffirmed. The outcome of the Summit had been received with mixed reactions and the MDGs did not feature as high on the discussions as terrorism and UN reform (Whiteside 2006: 334). There was a statement on commitment to an additional US\$50 billion per year to combat poverty, as well as a statement on serious development issues such as HIV/AIDS, tuberculosis, malaria and other diseases, gender equality and financing for development. There are many voices of concern about the outcome of the Summit especially with regard to addressing important economic and social issues in the developing world (Rizvi 2005). Development needs resources and if the necessary resources are not made available to achieve the MDGs poverty reduction will not take place.

UNITED NATIONS MILLENNIUM GOALS REPORTING MECHANISM

There are many United Nations reports that feed into the Millennium Development reporting mechanism of which the most important are the Human Development reports, The Regional Economic Commission reports and the Secretary-General's MDG reports. The Millennium Development Report (2005) is the most comprehensive and updated of these reports (Whiteside 2006: 332). This report emphasizes the importance of the MDGs and states that it is the most broadly supported, all-inclusive and explicitly poverty focussed targets that the world has ever established (United Nations Millennium Project 2005: 2). These goals represent a fruitful existence for the billion-plus people living in severe poverty worldwide. The report provides overall figures of progress worldwide, such as the average income increase by about 21%, a declined number of people living in extreme poverty, declined child mortality rates and a rise in the average life expectancy from 63 to 65 years (United Nations Millennium Project 2005: 8). This progress is not uniform across the world. Sub-Saharan Africa in particular is feeling the brunt of the development crisis with food insecurity, a rising HIV prevalence rate, rising

numbers of people living in abject poverty, a rising child mortality rate and a decline in life expectancy.

The report identifies a number of reasons for the underperformance in achieving the MDGs. One of the reasons is delays in development occurs with the failure of governance when governments do not uphold the rule of law, manage sound public administration, respect human rights and follow good economic policy. Another reason is that many countries fall in the poverty trap and are so poor that they cannot get themselves out of severe poverty. The discrepancy in one country can be so large that there are pockets of poverty that urgently need investment in infrastructure, human capital and public administration. The last reason mentions policy neglect, where policymakers are not aware of what to do, or neglect public issues (United Nations Millennium Project 2005: 22).

One of the core issues in sub-Saharan Africa is the effect that HIV/AIDS will have on development and the MDGs. With more than half the world's population living with AIDS in the region, many of the MDGs will not be met due to the impact of HIV/AIDS. The first six goals, namely to eradicate extreme poverty and hunger, achieve universal primary education, promote gender equality and empower women, reduce child mortality, improve maternal health and combat HIV/AIDS, malaria and other diseases are all in the balance should the AIDS epidemic not be addressed and given the attention it deserves. Ten recommendations are made in the report, and AIDS is mentioned as a bullet point under the Quick Wins section (United Nations Millennium Project 2005: xv). The question is: Is this enough?

MILLENNIUM AFRICA RECOVERY PROGRAMME (MAP), THE OMEGA PLAN AND THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD)

In Africa, leaders developed their own development goals for Africa. During the past five years African leaders have renewed efforts at uniting Africa to face the challenges brought on by globalisation and trade liberalisation. The Millennium Africa Recovery Programme and the Omega Plan which were merged to form the New Africa Initiative and later the New Partnership for Africa's Development and the newly remodelled African Union, are the most important of these initiatives. While the African Union (AU) calls for a self-sustaining Africa, the New Partnership for Africa's Development (NEPAD) looks to the industrialised world for partnerships to sustain its programme.

African leadership has taken various steps towards the development of the continent. The Lagos Plan of Action for the Economic Development of Africa and the Final Act of Lagos of 1980 acknowledged that underdevelopment needs be tackled. The major objectives of the Lagos Plan of Action were the promotion of self-reliance, the acceleration of growth, the democratisation of the development process, the eradication of poverty and the acceleration of regional economic integration (Adejumobi 2002: 17). The Lagos Plan of Action (LPA) failed firstly, because the Western nations viewed the LPA as a radical choice that must be stalled and secondly, the economic crisis that Africa faced during that period. In a sense the LPA was the predecessor of NEPAD.

NEPAD is the end product of three initiatives that started in 2000 in Africa and ended in 2001 with the inception of the New Partnership for Africa's Development. The Millennium Partnership for Africa's Recovery Programme (MAP) was the first of these initiatives. The Organisation of African Unity (OAU) gave a mandate to Presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria to investigate ways in which Africa can deal with, and beat its large debt situation (De Waal 2002: 466). The OAU also mandated the three presidents to approach Africa's creditors on the abolition of all of Africa's external debt. They were also given the task to prepare the Millennium African Recovery Programme (Melber 2003: 3). President Mbeki was the inspiration behind MAP, as he was already promoting his 'African Renaissance' vision where Africa will regenerate economically, culturally, socially and politically to take its place of pride in the world. The motivation behind the idea of the African Renaissance is the self-reliance of Africa and African ownership over African affairs (Melber 2003: 2). Many of the MAP ideas were later integrated into the NEPAD documents.

NEPAD is a framework of interaction between Africa and the rest of the world, and is based on an agenda set by Africans for Africa. The primary objectives of NEPAD are to end poverty, place African countries on a path of sustainable development, end the marginalisation of Africa in the global scenario, fully integrate the continent into the global economy and to accelerate the empowerment of women (NEPAD 2005, Objectives). Although HIV/AIDS is one of the most important issues facing sub-Saharan Africa with potential disastrous consequences, it is not adequately addressed in strategic plans (De Waal 2003: 3). The rest of Africa is also not immune to HIV/AIDS, but the AIDS issue takes a backseat to other, mostly economic, issues. *Debt AIDS Trade Africa* lists Africa's most pressing issues as being debt, AIDS, trade, development assistance, democracy, accountability and transparency (DATA 2004: 3). NEPAD mentions HIV/AIDS in its plans, but the lack of political will to implement these plans are evident in the lack of political will of some of the most influential countries that are driving NEPAD. The AIDS epidemic is an opportunity for African leaders to find a uniquely African solution to the problem, but instead it is mostly ignored with some token lip service being paid from time to time. Shisana and Letlape (2004: 65) argue that, given that NEPAD is the policy framework through which the international community supports Africa's development, it is important that NEPAD should receive all the support it needs to include HIV/AIDS in all its strategies.

THE AFRICAN UNION

On 25 May 1963, 32 African government representatives established the Organisation of African Unity (OAU) in Addis Ababa with the signing of the OAU Charter. The main objectives of the OAU were to rid Africa of colonialism, promote unity and sovereignty among African states, promote development, ensure sovereignty and territorial integrity, and to promote international co-ordination within the setting of the United Nations (African Union 2005, Introduction). The OAU has, through the years, embarked on various initiatives to unify the states and to enhance economic

and social development. The Lagos Plan and the Final Act of Lagos of 1980 mentioned self-reliant development and cooperation among African countries. Many programmes, charters, agendas and declarations followed – always with the OAU's determination to place the African citizen at the centre of development and decision-making (African Union 2005). One of the most important treaties established the African Economic Community (AEC), commonly known as the Abuja Treaty seeking to create the AEC through six stages culminating in an African Common Market (Leshaba 2004: 5). The OAU has laid a solid and firm foundation for the unity and solidarity of Africa.

The African Union (AU) was established through four summits of the OAU: the Sirte Extraordinary Session in 1999 where it was decided to establish the AU, The Lome Summit in 2000 where the Constitutive Act of the Union was adopted, the Lusaka Summit in 2001 which drew the road map for the implementation of the AU and finally the Durban Summit in 2002 where the AU was launched and the first Assembly of the Heads of States was convened (African Union 2005). With the establishment of the AU, the OAU and the AEC were unified into one institution. During the celebrations of the 40th anniversary of the Organisation of African Unity on 23 May 2003, the South African President and the President of the African Union, Mr. Thabo Mbeki stated that the new issues on the continent's agenda are issues of democracy, peace and stability, good governance, sustainable development, human rights, health, gender equality and, computer and information technology (Mbeki 2003). These issues are quite different from the ones that the OAU had to face forty years ago. The HIV/AIDS epidemic as one of the most important and daunting challenges that sub-Saharan Africa faces, had not been not singled out.

THE CHALLENGES FACING SUB-SAHARAN AFRICA

The African continent faces some daunting challenges in the new millennium, such as crippling national debt, corruption in governments, human rights violations, poverty, conflict and famine to name but a few. Sub-Saharan Africa is no stranger to these challenges, and with the world's largest number of people living with HIV/AIDS in the region it faces a potential disaster. The UNDP report on development, planning and HIV/AIDS in sub-Saharan Africa states in its introduction that HIV/AIDS is one of the most critical development challenges in the region (Van Donk 2005: 5). The report further argues that it is widely recognised that HIV/AIDS overturns the successes in human development in sub-Saharan Africa with the end result of undermining development and economic growth. The epidemic also creates grave challenges to public sector management and governance (Van Donk 2005: 5).

HIV/AIDS is potentially one of the most serious threats to sustainable development in Africa. Sub-Saharan Africa is especially hard hit with approximately 25,4 million people living with HIV, which represent about 60% of all HIV positive people worldwide (UNAIDS 2005, Fact Sheet). Life expectancy at birth has dropped to below 40 years in nine African countries: Botswana, Central African Republic, Lesotho, Malawi, Mozambique, Rwanda, Swaziland, Zambia and Zimbabwe (UNAIDS 2005, Fact Sheet). As AIDS affect the most productive sector of the population on a continent where four out of ten people live on

Table 3: Development and Millennium Development Goals information in ten sub-Saharan African countries close to South Africa

Country	Total population in millions	Human development index rank	Human poverty index rank	Life expectancy at birth – years	Infant mortality rate (per 1000 live births)	Maternal mortality rate (per 100,000 live births)	MDG – % population below \$ 2per day	Estimated national HIV prevalence 15-49 years	Estimated HIV+ children	Estimated number of orphans	GDP per capita (PPPUS \$ 2003)
Angola	15,940	160	83	40.8	153.0	1,700	no data	3.7	35,000	160,000	2,344
Botswana	1,765	131	94	40.0	no data	100	50.1	24.1	14,000	97,000	8,714
Lesotho	1,795	149	91	41.5	no data	550	56.1	23.2	18,000	100,000	2,561
Malawi	12,884	165	85	41.5	131.5	1,800	76.1	14.1	91,000	550,000	605
Mozambique	19,792	168	96	45.0	187.7	1,000	78.4	16.1	140,000	510,000	1,117
Namibia	2,031	125	60	53.5	35.8	300	55.8	19.6	17,000	85,000	6,180
South Africa	47,432	120	56	48.0	61.6	230	34.1	18.8	240,000	1,200,000	10,346
Swaziland	1,032	147	97	37.5	no data	370	no data	33.4	15,000	63,000	4,726
Zambia	11,668	166	90	40.0	115.2	750	87.4	17.0	130,000	710,000	877
Zimbabwe	13,010	145	89	35.5	59.1	1,100	83.0	20.1	160,000	1,100,000	2,443
Total out of 177 countries											

Sources: United Nations Development Programme (UNDP). 2005. *Human Development Report 2005*. New York: UNDP; PlusNews. 2004. *Country profiles*. Retrieved on 29 May 2006. <http://www.plusnews.org>; UNAIDS. 2006. *Report on the global AIDS epidemic. A UNAIDS 10th anniversary special edition*. Geneva: UNAIDS.

less than US \$1 per day, HIV/AIDS needs to be taken seriously and be made a priority (Bond 2003: 16).

Other major challenges such as food security, education, empowerment of women and poverty are linked closely to HIV/AIDS. The region has 34 of the world's 50 least developed countries and it will need a special effort from both the continent and the developed countries to make major progress towards the Millennium Development Goals (UNFPA 2005). Africa is the poorest region in the world, with sub-Saharan Africa's per capita GNP one tenth of that of Latin America (Mboweni 2003). Although Africa has a positive growth rate, it will not be sufficient to meet the Millennium Development Goals by 2015. The International Monetary Fund (IMF) has estimated that the sub-Saharan region should have a growth rate of about 7% per year if the MDGs are to be achieved (Mboweni 2003).

The impact of HIV/AIDS on sub-Saharan African governments' fiscal policy will most probably have the direct effects on some key areas of government spending, such as the health and social budgets. Some of the indirect effects will come from the collective economic impacts, the increase of poverty, distorted development spending, and the increased demands on government to alleviate poverty (De Waal 2003: 4). Table 3 gives a view of some human development indicators, poverty and gross domestic product (GDP) *per capita* figures of the southern part of sub-Saharan Africa. It is clear from the figures, that although some of the countries have a high GDP *per capita* the overall low ranking of human development index and poverty, high HIV prevalence rates, high infant and mortality and maternal mortality rates will have a huge impact on governments' spending.

CONCLUSION

The global official development assistance debate is at least fifty years old and development partners are facing ever changing paradigms, such as Structural Adjustment, the Washington Consensus and the Poverty Reduction Strategy Papers to name but a few. Over the years billions of dollars were spend on development in Africa, but the developing world has become poorer, debt has increased, there is an increase in deaths occurring from preventable diseases and there are increases in malnutrition and infant mortality in sub-Saharan Africa. Aid to the developing world is conditional, unpredictable, donor driven and with very high transaction costs on both the recipient and donor countries.

Some of the real positive changes in development came at the turn of the millennium with several meetings which resulted in a global commitment to changes in approaches to development interventions. Of these the most important were the Millennium Summit where the Millennium Development Goals were set, the Monterrey Consensus, the Rome Declaration and the Paris Declaration on Aid Effectiveness. These commitments were made in order to assist with the operationalisation of official development assistance to the developing world to help poor countries to realise the MDGs and improve the lives of its people.

The worrying aspect of all these commitments is that the international development community has not taken AIDS on board. There is little appreciation and understanding

what HIV/AIDS means for the set development targets. Only when the development targets are being revisited with the long wave impact HIV/AIDS in mind will the developing world begin to make inroads in the Millennium Development Goals. In Africa, and specifically sub-Saharan Africa HIV/AIDS embodies the most serious challenge to the Millennium Development Goals at present.

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PARTNERSHIP BETWEEN COMMUNITY AND GOVERNMENT: A TOOL TOWARDS DEVELOPMENT

S. Vyas-Doorgapersad

Department of Political Science and Public Administration
University of Zululand

M. Muller

Department of Political Science and Public Administration
University of Zululand

ABSTRACT

The *White Paper of Local Government*, 1998 states that there is a need to “reduce historical socio-economic backlogs through acceleration of service delivery to local communities...it has become vital that a strong, synergetic partnership between central and local government, civil society organisations and private and donor communities be galvanised to rectify associated inefficiencies” (Davids, Theron & Maphunye, 2005: 133.)

The public has a right to know how public institutions apply the power and resources entrusted to them. Public scrutiny should be facilitated by transparent and democratic processes, oversight by the legislature; and access to public information. Transparency should be further enhanced by measures such as the disclosure system and recognition of the role of community participation. Furthermore, in terms of section 234 of the Constitution of Republic of South Africa, 1996, Parliament may adopt charters of rights in order to deepen the culture of democracy; a changing public/private sector interface; and changing accountability arrangements. In short, they have to adopt new ways of carrying out the business of government.

This article deals with the principles and mechanisms of community participation to enhance good governance and increased service delivery. The Republic of South Africa is considered as a case study that is applicable to the rest of Africa considering the need of same requirements. The research approach used in this study is descriptive and analytical.