



The Programme of Action adopted at the 1994 International Conference on Population and Development (ICPD) in Cairo outlines specific funding targets to be met to achieve the ICPD population and development objectives. The Declaration of Commitment on HIV/AIDS adopted at the 2001 United Nations General Assembly Special Sessions (UNGASS) on HIV/AIDS urges the international community to supplement the efforts of developing countries through increased international development assistance, particularly for those countries most affected by HIV/AIDS. The project on 'Financial Resource Flows for Population and AIDS Activities' aims at monitoring expenditures and future commitments for population and AIDS programmes in response to the ICPD and the UNGASS on HIV/AIDS.

The 'Resource Flows' Project is a collaboration between the United Nations Population Fund (UNFPA) and the Netherlands Interdisciplinary Demographic Institute (NIDI).

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The purpose of the UNFPA/NIDI Resource Flows Newsletter is to inform donor and developing country governments, public and private organisations, research institutes, universities and civil society about resource tracking for population and AIDS activities in general and the role of the Resource Flows (RF) project in particular.

The Flow of Financial Resources for Assisting in the Implementation of the Programme of Action of the International Conference on Population and Development

Abstract of the Report of the Secretary-General

Introduction

The United Nations Population Fund (UNFPA) has been requested by the Commission on Population and Development to report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development (ICPD) held in Cairo in 1994. The most recent report was presented to the Commission in March 2009.

The report reviewed the flow of funds from donor countries for population assistance in developing countries and provided estimates of government and non-governmental expenditures for population activities in developing countries for 2007. It also included donor and developing country estimates for 2008 and projections for 2009.

The external and domestic financial resource flows for population activities analyzed are part of the "costed population package" as specified in paragraph 13.14 of the Programme of Action of the International Conference on Population and Development. The package comprises family planning services; basic reproductive health services; sexually transmitted diseases (STDs)/human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS) prevention activities;¹ and basic research, data and population and development policy analysis.

International Population Assistance

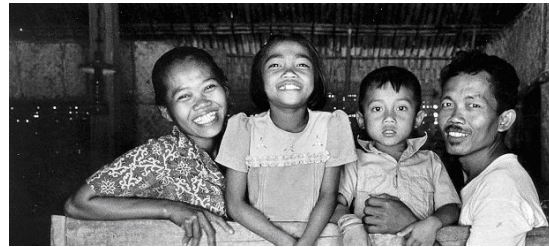
The Programme of Action estimated that the implementation of the population and reproductive health package in the developing countries and countries with economies in transition would cost US \$18.5 billion² annually by the year 2005 and \$20.5 billion by 2010. Approximately two thirds of the projected costs would come from developing countries and one third, or \$6.1 billion in 2005 and \$6.8 billion in 2010, would come from the international donor community.

Based upon the data collected we can observe that donor assistance to population activities continues to increase. By 2006, it stood at \$7.4 billion. The provisional figure for 2007 is \$8.1 billion (see Table 1). The 2008 and 2009 figures are projected to be around \$11 billion (see Figure 1). However, given the current global financial crisis, it is not certain whether donors will live up to their expected future commitments and continue to increase funding levels as they did in the past few years. It is possible that the final figures for 2008 and 2009 will show decreases in levels of funding for population assistance.

It is important to note that although the total ICPD financial target has been surpassed, a closer examination of how the funding is allocated over the four components of the ICPD costed population package as compared to the

¹ Beginning with the 1999 round of questionnaires, the Resource Flows Project began to include data on HIV/AIDS treatment and care to address the growing reporting needs of UNAIDS and because it was becoming increasingly impossible for respondents to provide information on HIV/AIDS prevention activities only.

² All references to dollars are to United States dollars.



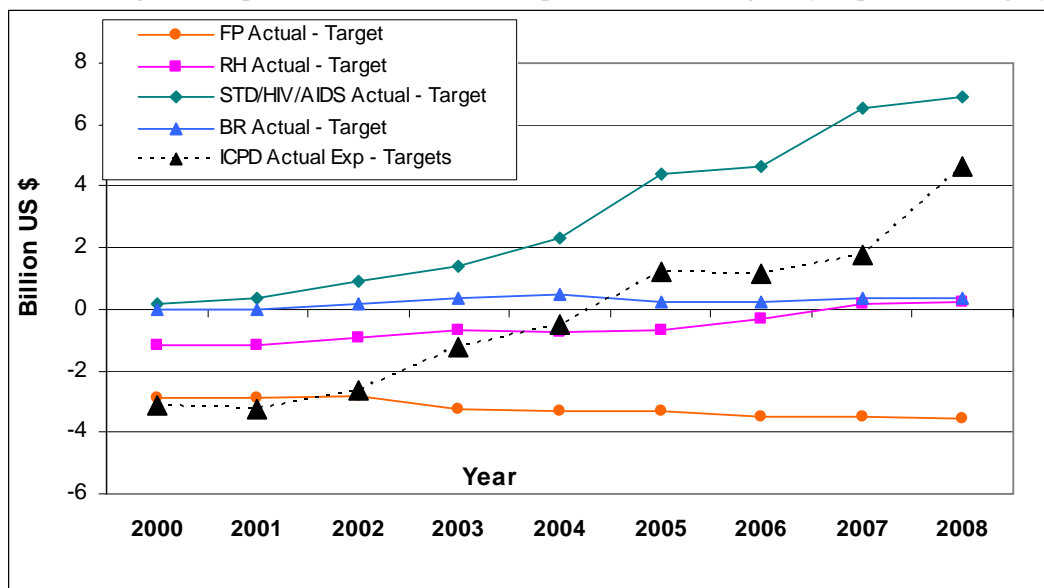
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**Table 1. International Population Assistance, by Major Donor Category, 2006 –2009
(Millions of US)**

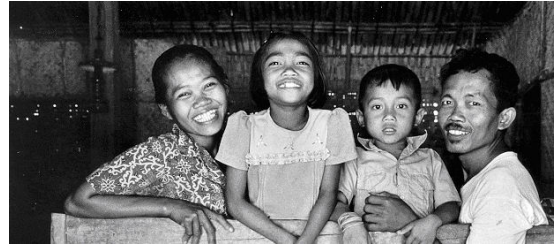
Donor category	2006	2007 (Provisional)	2008 (Estimated)	2009 (Projected)
Developed countries	6,626	6,971	9,813	9,891
United Nations system	105	50	123	127
Foundations/NGOs	406	479	475	491
Development Bank grants	131	52	153	158
Subtotal	7,267	7,551	10,564	10,667
Development Bank loans	113	577	577*	577*
Total	7,380	8,129	11,141	11,244

Source: UNFPA, 2008. *Financial Resource Flows for Population Activities in 2006* and Resource Flows Project database.
 Note: Totals may not add up due to rounding. The provisional 2007 figures are expected to increase once all the data are in.
 *The 2008-2009 figures for development bank loans are estimated at the 2007 level.

Figure 1. Population Assistance As Compared to ICPD Targets By Population Category



Source: UNFPA, 2008. *Financial Resource Flows for Population Activities in 2006* and Resource Flows Project database.
 Note: Data on actual assistance for 2007 are provisional, data for 2008 are estimates.

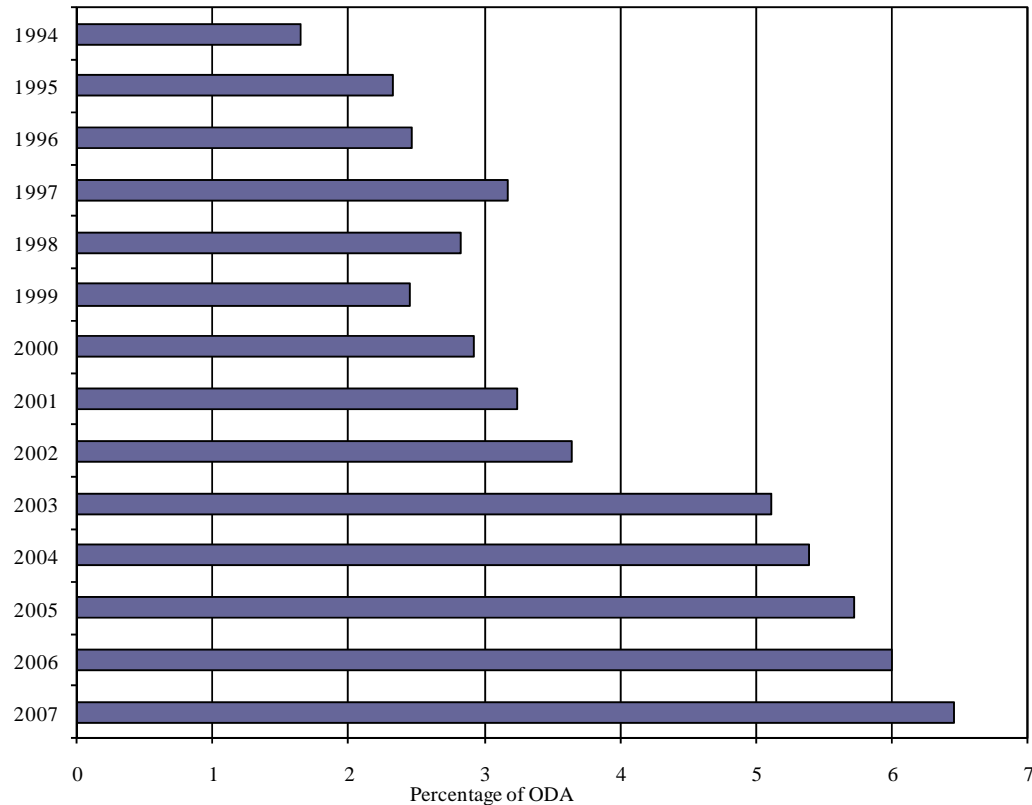


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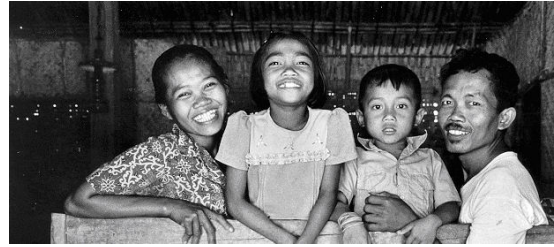
specific targets for the individual categories shows that the increase in funding for HIV/AIDS obscures the fact that funding for the other components is below the agreed targets. Figure 1 compares actual population assistance to the ICPD targets for family planning, reproductive health, STD/HIV/AIDS and basic research, data and population and development policy analysis. It is clear that funding levels for family planning are considerably below the ICPD targets, while funding for STD/HIV/AIDS is substantially above the targets. Part of this difference may be explained by the fact that the ICPD targets for STD/HIV/AIDS included only prevention activities, while

donors are currently reporting funding for treatment and care in addition to prevention activities because their accounting systems are such that they are not able to disaggregate resources that go to prevention activities and those that fund treatment and care. Funding for reproductive health has also been consistently below the ICPD targets and has only slightly exceeded the target beginning with fiscal year 2007. Funding for basic research, data and population and development policy analysis has remained at or slightly above the ICPD targets.

Figure 2. Population Assistance of Donor Countries as a Percentage of ODA, 1994-2007



Source: UNFPA, 2008. *Financial Resource Flows for Population Activities in 2006 and Resource Flows Project database.* Note: Data for 2007 are provisional.



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Donor countries traditionally provide the largest share of population assistance. This so-called bilateral assistance is estimated at \$7.0 billion in 2007, up from \$6.6 billion in 2006. According to preliminary estimates, donor countries provided \$9.8 billion for population activities in 2008. Projections for 2009 place this number at \$9.9 billion.

After several years of encouraging increases, official development assistance (ODA) decreased to \$103.5 billion in 2007 from \$103.9 billion in 2006. The percentage of total ODA that donor countries, as a group, contributed to population assistance increased to 6.46 per cent in 2007 from 6.07 per cent in 2006. There are significant variations between countries in percentage of ODA spent on population activities, from 0.11 per cent to 13.15 per cent. Multilateral assistance to population activities is provided by the organizations and agencies of the United Nations system, mainly from UNAIDS, UNFPA, UNICEF and WHO. Provisional figures for multilateral assistance show a decrease to \$50 million in 2007, but this figure is expected to increase as more reports come in. UNFPA remains the leading provider of United Nations assistance in the population field, providing support to 159 developing countries in 2007.

Development banks are an important source of multilateral population assistance. Their contributions are treated separately from grants because their assistance is in the form of loans that must be repaid. The banks' projects reflect multi-year commitments recorded in the year in which they are approved but disbursed over several years. Most loans for population assistance come from the World Bank which made available \$577 million in loans for population activities in 2007.

Foundations, non-governmental organizations and other private organizations are also important sources of population assistance. It is estimated that foundations and NGOs contributed \$479 million to population activities in 2007. It is not certain how the current financial crisis will affect the level of private assistance to population activities in 2008 and 2009. **Domestic Expenditures for Population Activities**

Domestic resources of developing countries account for the largest portion of funds required to achieve population and development objectives.

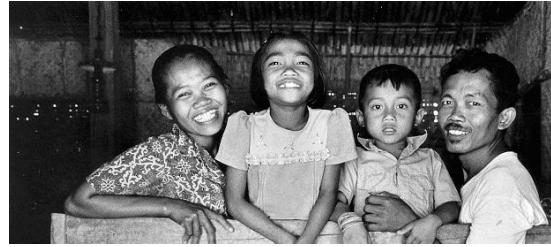
Total global domestic expenditures for population activities are estimated using a methodology that incorporates the responses of the surveyed countries, together with prior reporting on actual and intended expenditures, secondary sources on national spending, and, in the absence of such information, estimates and projections are based on national income as measured by the level of gross domestic product (GDP) which proved the most influential variable explaining the growth of spending by governments.³

Table 2 presents the latest estimates and projections of global domestic expenditures for population activities for 2007-2009. It shows an increase in domestic funding for population activities in all regions. It is estimated that developing countries spent \$18.5 billion for population activities in 2007. The largest amount was mobilized in Asia (\$11.2 billion), followed by sub-Saharan Africa (\$3 billion), Latin America and the Caribbean (\$2.6 billion), Eastern and Southern Europe (\$922 million) and Western Asia and North Africa (\$839 million).

Domestic expenditures are estimated to have increased to \$19.6 billion in 2008 and they are projected to further increase to \$20.5 billion in 2009. Given the current global financial crisis, it is possible that resources will not reach projected levels.

Forty-five per cent of all domestic expenditures for population were spent on STD/HIV/AIDS activities in 2007. This percentage varied considerably by region, from

³ See Erik Beekink and Annemarie Ernsten, *Projections of Funds for Population and AIDS Activities, 2007-2009*, The Hague, 2008; Marieke van der Pers and Erik Beekink, *Projections of Funds for Population and AIDS Activities, 2006-2008*, The Hague, 2007; Hendrik van Dalen and Daniel Reijer, *Projections of Funds for Population and AIDS Activities, 2005-2007*, The Hague, 2006; Hendrik van Dalen and Mieke Reuser, *Projections of Funds for Population and AIDS Activities, 2004-2006*, The Hague, 2005 and Henrik van Dalen and Mieke Reuser, *Assessing Size and Structure of Worldwide Funds for Population and AIDS Activities*, The Hague, 2004.



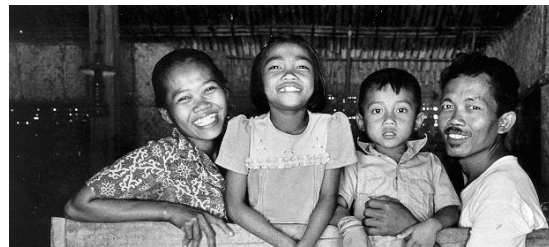
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**Table 2. Projection of Global Domestic Expenditures for Population Activities, 2007-2009
(Thousands of US)**

Year	Source of Funds				Percentage spent on STD/HIV/AIDS
	Government	NGO	Consumers*	Total	
2007					
Africa (sub-Saharan)	1,359,816	118,814	1,490,314	2,968,944	92%
Asia and the Pacific	3,169,144	135,987	7,872,153	11,177,284	22%
Latin America and the Caribbean	1,594,955	129,196	826,184	2,550,335	85%
Western Asia and North Africa	479,915	49,543	309,545	839,003	29%
Eastern and Southern Europe	598,943	14,373	308,456	921,772	75%
Total	7,202,773	447,913	10,806,651	18,457,338	45%
2008					
Africa (sub-Saharan)	1,378,101	132,589	1,509,223	3,019,913	91%
Asia and the Pacific	3,435,751	145,579	8,534,406	12,115,736	19%
Latin America and the Caribbean	1,600,051	134,015	839,864	2,573,930	83%
Western Asia and North Africa	554,777	55,822	357,831	968,429	28%
Eastern and Southern Europe	629,154	16,219	324,014	969,387	73%
Total	7,597,833	484,224	11,565,338	19,647,395	41%
2009					
Africa (sub-Saharan)	1,386,251	138,245	1,517,645	3,042,141	91%
Asia and the Pacific	3,636,998	151,206	9,034,302	12,822,506	18%
Latin America and the Caribbean	1,605,960	135,579	844,333	2,585,872	83%
Western Asia and North Africa	575,805	57,797	371,394	1,004,996	28%
Eastern and Southern Europe	646,348	16,987	332,869	996,205	72%
Total	7,851,362	499,814	12,100,544	20,451,720	40%

*Consumer spending on population activities covers only out-of-pocket expenditures and is based on the average amount per region as measured by the WHO (2004) for health care spending in general. For each region, the ratio of private out-of-pocket versus per capita government expenditures was used to derive consumer expenditures in the case of population activities.

Source: Erik Beekink and Annemarie Ersten, *Projections of Funds for Population and AIDS Activities, 2007-2009*, The Hague, 2008. See also Marieke van der Pers and Erik Beekink, *Projections of Funds for Population and AIDS Activities, 2006-2008*, The Hague, 2007; Hendrik van Dalen and Daniel Reijer, *Projections of Funds for Population and AIDS Activities, 2005-2007*, The Hague, 2006; Hendrik van Dalen and Mieke Reuser, *Projections of Funds for Population and AIDS Activities, 2004-2006*, The Hague, 2005; and Hendrik van Dalen and Mieke Reuser, *Assessing Size and Structure of Worldwide Funds for Population and AIDS Activities*, The Hague, 2004.



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over 92 per cent in sub-Saharan Africa to 22 per cent for Asia and the Pacific. Figures for Asia are low because data on out-of-pocket spending are not complete.

Although the global figure of domestic resource flows is a rough estimate, it is the most plausible estimate, given the fact that data are often incomplete and not entirely comparable. The information is useful in that it provides some idea of the progress made by developing countries, as a group, in achieving the financial resource targets of the ICPD Programme of Action. While the global total shows real commitment on the part of developing countries, it conceals the great variation that exists among countries in their ability to mobilize resources for population activities. Most domestic resource flows originate in a few large countries. Many countries, especially those in sub-Saharan Africa and the least developed countries, are not able to generate sufficient resources to finance their own population programmes and rely heavily on donor assistance.

Revised Cost Estimates to Meet Current Needs

The ICPD financial targets were fixed some 15 years ago and do not meet current needs that have grown dramatically since the targets were agreed upon. At that time, the population and health situation in the world was much different than it is today. The HIV/AIDS crisis is far worse than anticipated, and infant, child and maternal mortality remains unacceptably high in many parts of the world. Health-care costs have increased dramatically and the lack of progress on ICPD targets has been identified as being linked to a number of issues including the lack of

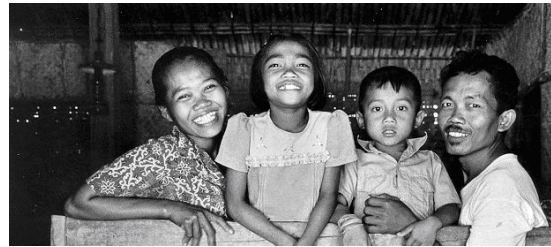
investment in the development and support of health systems and programmes. As many countries around the world prepare for the 2010 round of censuses, costs of data collection and dissemination have risen substantially. In addition, the value of the dollar today is far lower than it was in 1993. As a result, the ICPD targets of \$18.5 billion in 2005 and \$20.5 billion in 2010 are simply not sufficient to meet current developing-country needs in the area of family planning, reproductive health, STD/HIV/AIDS and basic research, data and population and development policy analysis.

In response to the ICPD Programme of Action call that the “estimates should be reviewed and updated” (para 13.15), and to harmonize the ICPD financial targets with MDG costing, UNFPA undertook the task of reviewing estimates for the four components of the ICPD costing package and produced revised estimates to meet current costs and needs (Table 3).

As expected, the revised estimates are much higher than the original ICPD targets agreed upon in 1994 because they take into account both current needs and current costs. As per past practice, these costs do not take inflation into account. The costs are considered minimum estimates required to implement the ICPD goals in the areas of family planning, reproductive health, STD/HIV/AIDS and basic research, data and population and development policy analysis. There will always be unspecified costs. There will always be unspecified costs well as adjustments for demand generation, stock maintenance, etc.

Table 3. Revised ICPD Cost Estimates 2009-2015
(Millions of US \$)

	2009	2010	2011	2012	2013	2014	2015
Sexual/Reproductive Health/Family Planning	23,454	27,437	30,712	32,006	32,714	33,284	33,030
Family Planning Direct Costs	2,342	2,615	2,906	3,209	3,529	3,866	4,097
Maternal Health Direct Costs	6,114	7,868	9,488	11,376	13,462	15,746	18,002
Programmes and Systems Related Costs	14,999	16,954	18,319	17,422	15,723	13,672	10,931
HIV/AIDS	23,975	32,450	33,107	33,951	34,734	35,444	36,189
Basic Research/ Data/Policy Analysis	1,551	4,837	3,943	2,239	1,181	864	591
Total	48,980	64,724	67,762	68,196	68,629	69,593	69,810



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The costing estimates for family planning assume that the current unmet need will be satisfied in 2015 although there is likely to be greater demand for family planning as people become more aware of the options. The costing estimates for reproductive health include antenatal care, delivery care, obstetric complications care, newborn interventions, reproductive organ cancer screening and treatment as well as other maternal care interventions. Health systems and programme costs related to family planning and reproductive health were estimated to reflect the need for a significant investment in the health systems and planning in order to achieve the ICPD goals of universal coverage. STD/HIV/AIDS costing includes elements for prevention, treatment, care and support including elements specifically to address issues of prevention of violence against women. Estimates for the basic data, research and population and development policy analysis component were obtained by summing four expenditure categories: censuses, surveys, civil registration, and research and training.

Current funding levels are way below the revised cost estimates. It is estimated that about 11 per cent of the revised costs of family planning/reproductive health, 35 per cent of HIV/AIDS, and 14 per cent of data and research will be covered by population assistance in 2009. It is harder to predict the amount of domestic resources that will be mobilized for the separate ICPD components.

Conclusion

ICPD at 15 presents a good opportunity to take stock of progress towards the achievement of the financial targets agreed upon in Cairo. There has been an increase in the flow of financial resources for assisting in the implementation of the ICPD Programme of Action, but this has been primarily a result of the increase in funding for HIV/AIDS activities, including both prevention and treatment. But even these increases do not meet current

HIV/AIDS needs that are much higher than anticipated when the targets were set. Funding for family planning, which has been steadily decreasing, is significantly below the suggested ICPD targets and is also not meeting current needs in this area. Additionally, there has not been sufficient investment in the health systems of developing countries to enable the achievement of the ICPD targets. The population and health situation in the world was much different when the ICPD targets were agreed upon in 1994 than it is today. No one had foreseen the escalation of the AIDS pandemic. Health-care costs have skyrocketed since then. In addition, the lack of sufficient investment in the first 15 years since ICPD has left many countries well behind the pace for achieving the ICPD targets and requiring significant investment to accelerate progress. As a result, the ICPD targets are not sufficient to meet today's developing country needs.

The revised cost estimates are more in line with the MDG costing and are intended to more accurately reflect the necessary financial resources currently needed to facilitate the achievement of the ICPD and MDG targets. Current funding levels are way below the revised and more realistic targets necessary to realize the ICPD goals and achieve the MDGs. This is true for all four components of the costed population package. The lack of adequate funding remains the chief constraint to the full implementation of the goals of the ICPD and the Millennium Summit.

Continued resource mobilization advocacy efforts on the part of both donors and developing countries are essential to fully implement the ICPD agenda and achieve the MDGs. The challenge before the international community at ICPD at 15 is to reaffirm its commitment to the achievement of the Cairo goals and the MDGs by mobilizing the resources required in all areas of the ICPD costed population package.