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UNFPA/UNAIDS/NIDI Resource Flows Newsletter. November 2007

The purpose of the UNFPA/UNAIDS/NIDI Resource Flows Newsletter is to inform donor and developing country / country in transition 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.

Projections of Funds for Population and AIDS Activities 2006-2008

The Resource Flows Project has been engaged in making estimates and projections for financial resource flows for population and AIDS activities since 2003. In October this year the latest projections were made for the years 2006, 2007, and 2008. The report gives an insight into the size and structure of the flow of funds generated by donors and by the governments and NGOs in developing countries for this period. Overall, the tendencies of recent years in both donor and developing countries are continued. The general insight is that HIV/AIDS is dominating the population agenda at the expense of more traditional elements of population programs, such as family planning and reproductive health. The overall burden of population assistance rests to a large extent with consumers. In this Newsletter the main results of these projections are presented. The complete report can be downloaded from the website of the Resource Flows project.

Projection of Donor Funding

Donors play a large role in generating funds for population and AIDS activities. The level of primary funds generated by donors has increased substantially over the last few years, in large part stimulated by the initiatives of the US government to combat the HIV/AIDS pandemic (i.e., PEPFAR). Table 1 gives an overview of total primary funds for the total OECD/DAC members, international foundations and NGOs, the UN system, and grants from Development Banks for the years 1997-2005.

As one can see, donor assistance has been dominated by the funds provided by OECD/DAC governments, 90 percent of total primary funds (excluding bank loans), of which the US is undoubtedly the biggest provider of primary funds.

Whether this steep increase will be continued in the future as presented is uncertain. On the one hand, one can expect this increase to stop as a major part of the donor increase is the President's Emergency Plan For AIDS Relief (PEPFAR), constitutes a five-year horizon and what will happen after 2007 remains uncertain.

On the other hand, the fact that the Millennium Development Goals explicitly acknowledge the importance of HIV/AIDS may make this level of financial support viable as other donor countries may perhaps step up and follow the US example.

The second largest group of donors consists of international foundations that accounted for 4 percent of total primary funds in 2005. Other donors accounted for the remaining 6 percent.

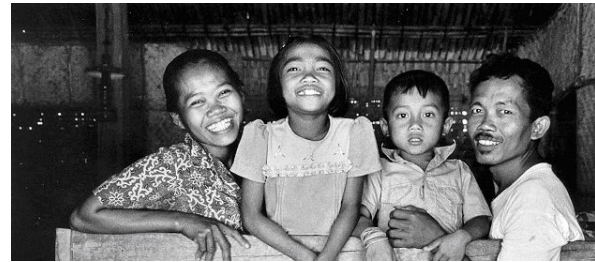
Table 1: Overview of Primary Funds for Population and AIDS Activities, 1997-2005 (in millions current US dollars)

	1997	1998	1999	2000	2001	2002	2003	2004	2005
OECD/DAC governments	1,530	1,539	1,411	1,598	1,720	2,314	3,738	4,446	6,346
International Foundations	63	72	176	251	202	460	305	325	299
International NGOs	43	51	64	48	39	71	74	108	66
UN Organizations	49	35	31	77	96	31	43	61	96
Development Bank (grants)	9	10	9	1	3	2	28	227	186
Total	1,694	1,707	1,691	1,975	2,060	2,878	4,189	5,166	6,992

Source: Resource Flows database.



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UNFPA/UNAIDS/NIDI Resource Flows Newsletter. November 2007

Because simply extrapolating the general picture will not be sufficient, projections of funding of donor governments are based on past behaviour and, whenever possible, of self-reported future expenditures. More detailed information about the applied methodology can be found in the full projections report.

By applying the projection rules to the data and the information provided to us through the Resource Flows survey, Table 2 shows the total funds for donor governments for the four ICPD categories for the years 2006, 2007 and 2008. The total funds provided by donor governments of OECD/DAC countries is expected to reach the US \$9.2 billion in 2008.

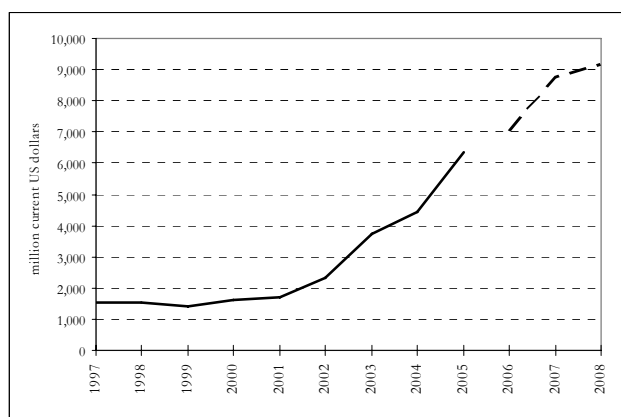
Table 2: Projected Primary Funds of OECD/DAC Governments for Population and AIDS Activities, 2006-2008

Year	General contributions (%)	Family Planning (%)	Reproductive Health (%)	Basic Research (%)	STD/HIV/AIDS (%)	Total (billion current US dollars)
2006	7.8	5.2	9.7	2.0	75.4	7.0
2007	6.5	3.5	8.0	1.6	80.5	8.8
2008	6.4	3.5	8.0	1.6	80.5	9.2

Source: Resource Flows database.

Because of the difficulties in detecting a trend in the behaviour of other donors the rule of thumb used is that their funds grow with the GDP rate for advanced economies as reported by IMF in the World Economic Outlook 2007.

Figure 1: Realized and Projected Donor Government Funds, 1997-2008



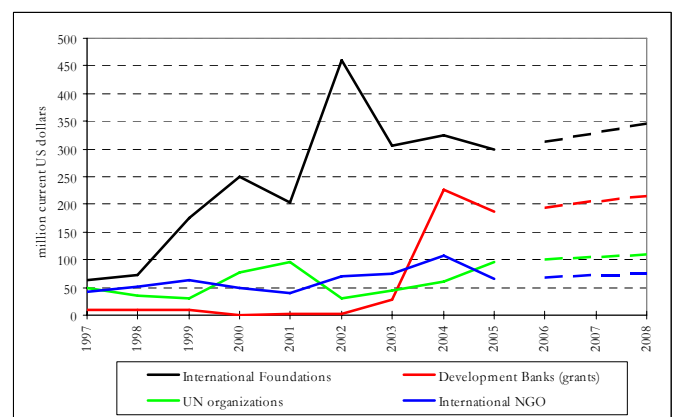
Source: Resource Flows database.
--- Projected expenditures

The most significant element to be noted about this table is the dominance of STD/HIV/AIDS programs.

At the start of the ICPD Programme of Action the percentage allocated in 1996 to general contributions was 47 percent, to family planning programmes was 22 percent, reproductive health services 18 percent, basic research 4 percent and STD/HIV/AIDS could count on 8 percent of the \$1.3 billion generated by donors. If we turn to Table 2 we see that things have been radically turned around; in 2008 over 80 percent is expected to go to STD/HIV/AIDS programmes and only 3.5 percent directly to family planning programmes.

Figures 1 and 2 combine the realized and estimated expenditures of donor governments, Figure 1, and other donors, Figure 2.

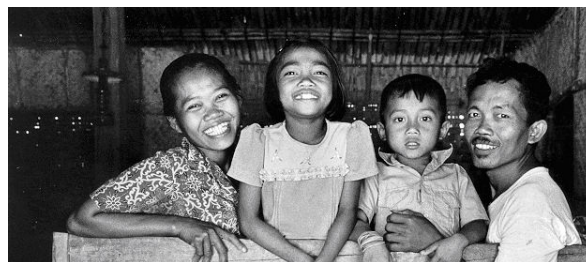
Figure 2: Realized and Projected Donor Non-government Funds, 1997-2008



Source: Resource Flows database.
--- Projected expenditures are assumed to grow with the growth rate of nominal GDP in advanced economies as predicted by the IMF.



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Projection of resources in developing countries

In general the level of funding for population and AIDS activities in developing countries and countries in transition has been increasing steadily both in terms of donor support and local mobilization

Country level projections based on primary or secondary data and based on unrestricted projections are combined to create global domestic government and NGO projections for the years 2006 to 2008.

Given the most recent developments in resource flows, it is assumed that projected funding levels grow according to the set longitudinal trend. Therefore, for projections in countries with no reliable primary or secondary information, the growth in funds in 2006, 2007 and 2008 is completely driven by developments in national income (GDP).

The above described methodology has led to individual country projections of future spending for each of the four ICPD categories for both national governments and local NGOs. Table 3 shows the aggregated result by region for the years 2006 to 2008.

In addition to these two types of expenditures, projections of private, or consumer, spending are made. These projections are reconstructed with the assumption that out-of-pocket health expenditures of households in developing countries are in line with out-of-pocket expenditures for population and AIDS activities specifically.

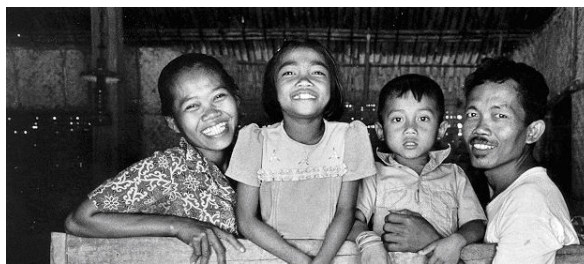
Table 3 presents projections of all three types of domestic expenditures for population and AIDS activities by region for the years 2006 to 2008.

Table 3: Projections of Global Domestic Expenditures for Population and AIDS Activities, 2006 to 2008 (million USD)

Region		Total Gov.	Total NGO	Consumers	Total	Of which AIDS	% AIDS
Africa (sub-Saharan)	2006	1,189	115	1,297	2,601	2,298	88%
Asia and the Pacific	2006	4,799	132	11,921	16,853	1,961	12%
Latin America and the Caribbean	2006	1,062	140	572	1,773	1,403	79%
Western Asia and North Africa	2006	494	43	319	856	172	20%
Eastern and Southern Europe	2006	653	12	336	1,001	774	77%
Africa (sub-Saharan)	2007	1,192	116	1,301	2,608	2,303	88%
Asia and the Pacific	2007	5,265	127	13,078	18,470	1,942	11%
Latin America and the Caribbean	2007	1,077	142	583	1,802	1,411	78%
Western Asia and North Africa	2007	520	47	335	902	181	20%
Eastern and Southern Europe	2007	660	13	340	1,014	774	76%
Africa (sub-Saharan)	2008	1,200	123	1,309	2,631	2,312	88%
Asia and the Pacific	2008	5,810	137	14,432	20,379	2,002	10%
Latin America and the Caribbean	2008	1,089	143	592	1,824	1,418	78%
Western Asia and North Africa	2008	540	49	348	937	19	20%
Eastern and Southern Europe	2008	675	14	348	1,037	785	76%
Total	2006	8,196	442	14,445	23,084	6,607	29%
Total	2007	8,714	444	15,638	24,796	6,611	27%
Total	2008	9,313	466	17,029	26,808	6,705	25%



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Important conclusions that can be drawn from this table are that the burden on consumers regarding spending on population and STD/HIV/AIDS care is high. Although the level of domestic funding by governments is increasing, private spending remains the most important source of funding for population and AIDS activities in developing countries today, especially in Asia and the Pacific and sub-Saharan Africa. On average, over 60 percent of the total domestic expenditures come from consumer payments.

It also becomes clear that STD/HIV/AIDS funding in sub-Saharan Africa and family planning expenditures in China are largely influencing the global picture of population and AIDS spending. China's family planning expenditures dominate the picture of total spending for the ICPD Programme of Action for the entire Asian region.

Finally, the total level of funding for population and AIDS activities in developing countries and countries in transition is increasing.

Worldwide Resource Flows

Table 4 summarizes both donor and domestic projected expenditures: in 2006 the total amount is expected to be nearly \$31 billion; in 2008 the total flows are projected to be over \$36.5 billion.

Analyzing the total expected worldwide expenditures for the coming three years, the burden of population assistance rests to a large extent on the shoulders of consumers who are expected to contribute approximately half of the total resource flows.

The burden shared between donors and developing countries is more or less in line with the goals of the ICPD Programme of Action which called for two-thirds of the costs to be met by developing countries and one-third by donor countries. For the years 2006 to 2008 the contribution of donor countries reaches around one quarter of the total funding, thereby slightly increasing over time but not reaching the ideal division of burden sharing as stated in the Programme of Action.

It should be pointed out that when adjusted for inflation, the target for donor countries of \$6.1 billion in 2005 (para 14.11 of the ICPD Programme of Action) has not been met. When adjusted for inflation, the total amount of donor funding for 2005 is only \$5.2 billion.

The total amount of resources for 2006 is expected to be \$22.1 billion when adjusted for inflation. Given the fact that the goal for 2005 and 2010 is \$18.5 and \$20.5 billion, respectively, the goal has been met for 2006. It is important to point out that domestic expenditures contribute most in reaching these expenditures.

Table 4: Worldwide Projections of Expenditures on Population and AIDS Activities, 2006 – 2008 (billion US dollars, current prices)

Year	Total donor assistance	Domestic resources				Total donor and domestic resources
		Government	NGO	Consumers	Total	
2006	7.7	8.2	0.4	14.4	23.1	30.8
2007	9.5	8.7	0.4	15.6	24.8	34.3
2008	9.9	9.3	0.5	17.0	26.8	36.7

Source: Resource Flows database.



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- Dalen, H.P. van and M. Reuser, 2005a, Assessing Size and Structure of Worldwide Funds for Population and AIDS Activities, NIDI, The Hague, www.resourceflows.org.
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- Pers, M. van der and E. Beekink, 2007, Projections of Funds for Population and AIDS activities, 2006-2008, Resource Flows Project, working paper, The Hague, www.resourceflows.org.
- Programme of Action of the International Conference on Population and Development, paragraphs 13.15 and 14.11.

Guidelines For Producing Reproductive Health Sub Accounts Within The National Health Accounts Framework

A Working Group of the WHO, UNFPA, USAID, the Inter-American Development Bank, and NIDI have prepared Guidelines for producing Reproductive Health (RH) sub-accounts within the National Health Accounts (NHA) framework.

The Guidelines have been developed as a tool to measure resource expenditures for reproductive health activities, as well as the utilization of these resources. The tool contributes to the measurement of the Millennium Development Goal movement and other international agreements like the ICPD and the ICPD+5.

Within these agreements reproductive health activities play an important role in, for example, the eradication of extreme poverty and hunger where reproductive ill health undermines development, diminishes the quality of life, and places heavy burdens on family and communities.

To attain the set goals and targets, additional information to that produced by the NHA is required. NHA results

provide insights into whether planned and needed resources are met, what is spent on reproductive health by whom, and for which kind of services disbursements are made. NHA results, guide stakeholders and policy makers in designing their programmes.

In addition, reproductive health sub-accounts can show whether the concern among reproductive health stakeholders that a disproportionate amount of funds that are targeted to HIV/AIDS services threatens the financing of other basic reproductive health services is real.

Comprehensive data on the flows of reproductive health funds in the public as well as in the private sector are necessary on a regular basis. Due to the fact that in most middle- and low-income countries stakeholders do not have access to such data, difficulties arise in developing sustainable and informed strategies for expanding reproductive health services and the mobilization of additional resources. This again affects the achievement of national and international reproductive health targets.

At present, information about financial flows for health care at the national level is captured by National Health Accounts. The RH sub-account Guidelines describe the adaptation of this tool in the reproductive health context. Thus, the guidelines show how to conduct a 'NHA RH sub-account' for use by NHA practitioners in middle- and low-income countries.

The approach of the Guidelines in integrating a RH sub-account in the existing NHA is such that it is adaptable to country specific settings, and flexible to accommodate domestic policy needs while maintaining international comparability. This means that the existing NHA facilitate RH estimates that are consistent, comparable, and compatible.

Within the NHA, the RH sub-account aims to; 1) provide key expenditure information for national policy makers, donors, and other stakeholders to guide their strategic



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UNFPA/UNAIDS/NIDI Resource Flows Newsletter. November 2007

planning in the area of RH care; 2) identify the amount of RH spending and its distribution, and; 3) provide internationally comparable data.

The Guidelines are structured in such a way that they build upon the NHA Producers' Guide, focusing on the added complexities and issues raised when measuring expenditures for reproductive health.

This means that the Guidelines discuss the scope and the boundaries of the sub-account, provide the classification schemes that are used to categorize each type of reproductive health expenditure (in addition they provide guidance in categorizing RH activities which are hard to classify, for instance, gender-based violence). The Guidelines also offer an overview of types of (internationally comparable) tables that can be generated, and discuss issues that are related to primary and secondary data collection. In addition to the data collection process, issues such as resolving data gaps, conflicts, and estimations of RH expenditures are covered as well. Attention is given to report organization, goals and contents. Finally, the document offers suggestions on forming a steering committee and sub-account team, and an illustrative workplan and timeframe.

A beta version of the RHA was released in the form of a CD during the last IHEA meeting and the NHA pre-conference meeting. It is beginning to be tested by several countries with the support of the Inter-American Development Bank.

The Guidelines will be available in early 2008 from WHO. Until then a copy of the last version can be supplied as a CD or as an electronic file on request by contacting Patricia Hernandez at WHO (hernandezp@who.int).

Reference

WHO (2007), Guidelines for producing reproductive health subaccounts within the National Health Accounts Framework. Prepublication Version. Produced with support from the World Health Organization Departments of Health System Financing (WHO/HSF) and Making Pregnancy Safer (WHO/MPS), Reproductive Health and Research (WHO/RHR); the United States Agency for International Development/Partners for Health Reformplus (PHRplus) Project and its successor the Health Systems 20/20 (HS 20/20) project; the United Nations Population Fund (UNFPA), the Netherlands Interdisciplinary Demographic Institute (NIDI), the Inter-American Development Bank (IDB), and the Partnership for Maternal, Newborn and Child Health (PMNCH).

Announcement Newsletter 9

The HIV/AIDS philanthropy sector: towards harmonization of resource tracking

Currently a number of HIV/AIDS resource tracking initiatives exist. Resource tracking methodologies differ greatly. The article gives an overview of the differences in methodologies.

The Resource Flows Newsletter is published three times per year. The next issue will be launched in December 2007. All newsletters will be posted on the Resource Flows website (www.resourceflows.org). If you have any comments or suggestions, please e-mail us at resflows@nidi.nl.