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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 HIV/AIDS philanthropy sector Towards harmonization of resource tracking

The HIV/AIDS philanthropic sector, which supports programmes in developing countries, is diverse. Grant making organizations include foundations, public charities and the corporate sector. Foundations include private, family and community foundations. The meaning of the term foundation varies between countries. Some are endowed, community, operating or corporate foundations, while others benefit from the proceeds of lotteries and gambling (EFC, 2006, p. 6). To support their operational or grant making programmes, some foundations act as charities mobilizing funds from various sources, including the general public (e.g. friends of) and lotteries. Some non-governmental organizations both execute government programmes and raise private contributions. Corporations and businesses provide support through non-cash mechanisms such as price reductions for HIV/AIDS medicines, commodity donations and other in-kind support. The corporate sector, the government sector and NGOs may have joint programmes and some activities (e.g. research) may be funded from multiple sources (e.g. public-private partnerships).

This newsletter tries to attribute to the process of harmonization. The data collection mechanisms of four major resource tracking initiatives are compared: FCAA, EFC, UNAIDS and the RF Project.

In 2006 funding for HIV/AIDS from U.S. based philanthropies approached \$ 1 billion in commitments, a more than doubling of the 2005 commitments (\$354 million). Among the top funders, disbursements increased by 46 percent between 2005 and 2006, rising from \$ 346 million to \$ 504 million. This increase is largely driven by the Gates Foundation. However, also among all other important funders disbursements increased by 18 percent, rising from \$ 208 million in 2005 to \$ 246 million in 2006 (FCAA, 2007). European foundations, charities and trusts for which data are available spent an estimated total of US\$ 101 million (€81 million) on HIV/AIDS activities in developing countries. That figure is for the most recent complete fiscal year for which data are available 2004 or 2005 as applicable; at that time a near-tripling from 2002/2003 levels (EFC, 2006).

The estimates are based on a selection of philanthropies. Thousands of small foundations and charities collect funds and receive subsidies for HIV/AIDS programmes in low- and middle-income countries.

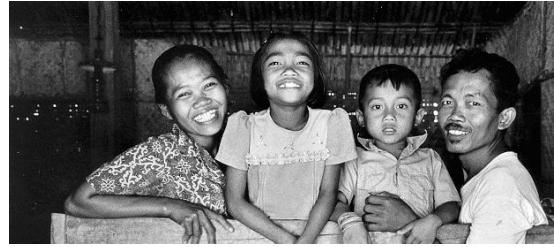
A sound policy to combat HIV/AIDS requires a good system of tracking financial flows within this sector. A number of HIV/AIDS resource tracking initiatives exist. For example, Funders Concerned About AIDS (FCAA¹) monitors commitments made by U.S.-based grant makers, the European Foundation Centre (EFC²) monitors HIV/AIDS philanthropic spending by European organizations, the Joint United Nations

¹ <http://www.fcaaid.org>

² <http://www.efc.be/projects/aids/default.asp>



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Programme on HIV/AIDS (UNAIDS³) collects and provides strategic information to guide efforts in the AIDS response worldwide, and the Resource Flows project (RF⁴) monitors HIV/AIDS spending in developing countries and countries in transition as part of the tracking of resources for reproductive and sexual health.

Useful information calls for harmonization of the data collected. An important step in the process of harmonization was taken by UNAIDS in 2002 with the creation of the Global Resource Tracking Consortium. The Consortium, established in order to provide reliable methods to collect data on resource flows, became an important forum for national and international organizations to discuss issues such as availability and harmonization of data.

Another step in the process of harmonization was made by UNAIDS in 2005 with the launch of an initiative promoting National AIDS Spending Assessments (NASA) - country-wide systems for gathering, analyzing and reporting data on HIV-related expenditures in all sectors, not just the health sector. The proposals establishing the NASA classification have been discussed and approved by members of the Global Resource Tracking Consortium.

Before discussing the harmonization process a short overview of these main actors in the field of resource tracking and their data sources will be provided.

The actors and their sources

Funders Concerned About AIDS (FCAA):

The first initiative is the tracking of U.S. philanthropic commitments for HIV/AIDS by FCAA. To produce the annual FCAA HIV/AIDS philanthropy resource tracking report, the organization collects data using a variety of sources.

- i. The first source is a survey tool developed and administered by FCAA to grant makers. Questionnaires are sent to U.S. grant makers who are asked to provide FCAA with a variety of data about their HIV/AIDS-related philanthropic commitments, and, since 2005, also disbursements.
- ii. The second data source consists of grant maker web sites, philanthropy affinity groups and research organizations.
- iii. The third is the Foundation Center's grants database.

This analysis is based on the 2005 and 2006 commitments, published in 2007. The report includes data from over 500 grant making organizations.

FCAA adapted its questionnaire in the context of harmonization and recorded both commitments and disbursements for its 2005 and 2006 surveys. The definitions of domestic (U.S.) and global regions were revised in order to make them consistent with more commonly used regional definitions. To reduce double counting, FCAA decided in 2007 to ask respondents to report all funding of US\$ 50,000 or more, received from other funders (*re-granted funding*). FCAA approached organizations with a paper and web-based survey template, of which 86 funders replied (about a 50 percent response rate).

European Foundation Centre (EFC):

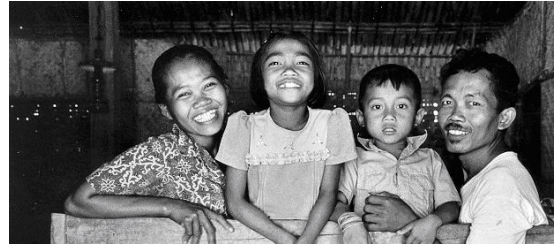
The second resource tracking initiative is that of the European philanthropic spending on

³ <http://www.unaids.org/en>

⁴ <http://www.resourceflows.org>



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HIV/AIDS by the European Foundation Centre (EFC). In 2004, the European HIV/AIDS Funders Group (EFG), a knowledge-based network dedicated to strengthening European philanthropy in the field of HIV/AIDS, identified 75 non-governmental organizations based in Europe and known to support HIV/AIDS programmes. They include foundations and NGOs such as the International HIV/AIDS Alliance and Stichting Novib/Oxfam. Some NGOs, including Medecins sans Frontières, independently reported disbursements for HIV/AIDS activities. For these organizations surveyed, activity profiles were compiled as part of a (2004) study (the EFC's Orpheus Programme). Of these funders, 45 were surveyed to determine HIV/AIDS spending for the year 2005. A total of 30 organizations responded to the survey (response rate of 67 percent). Activity profiles were compiled for 30 organizations. The 30 organizations (and the 75) are listed in the mapping update published in 2006.

UNAIDS:

The third resource tracking initiative is UNAIDS. UNAIDS collects data quantifying HIV/AIDS financing in low- and middle-income countries on the part of multiple actors: households, affected-country governments, international foundations and charities, as well as bilateral and multilateral assistance agencies. The purpose of this work is to develop and maintain the best possible estimates of available financing, for use in tracking progress toward meeting defined resource requirements. Specifically, one of the main objectives of UNAIDS financial data collection work is to monitor progress against relevant financing goals set out in the 2001 UNGASS Declaration.

The National AIDS Spending Assessment (NASA) resource tracking methodology was

designed by UNAIDS to describe the financial flows and expenditures using the same categories as the globally estimated resource needs. This alignment was conducted in order to provide necessary information on the financial gap between resources available and resources needed, and to promote the harmonization of different policy tools frequently used in the AIDS field.

NASA provides indicators of the financial country response to AIDS and supports the monitoring of resource mobilization. Thus, NASA is a tool to establish a continuous financial information system within the national monitoring and evaluation framework.

The Resource Flows Project:

The fourth resource tracking initiative is the Resource Flows project. The RF 2006 survey encompassed 110 organizations including OECD/DAC member governments, private foundations and international NGOs⁵. Separate questionnaires were designed for each donor category. A total of 40 foundations were surveyed. The Ford Foundation, which has 11 country offices, was considered as a single foundation. In the RF 2006 foundations survey, the response rate was around 67 percent (27 of 40 foundations responded). The questionnaire sent to foundations and NGOs collects data on commitments, actual spending and expected contributions.

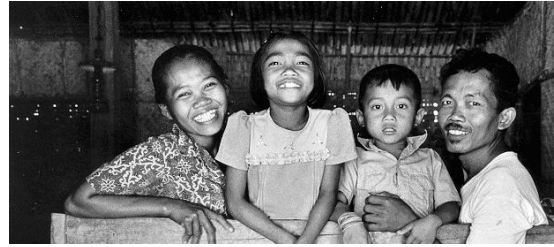
A comparison of methods

This section documents the major differences between the resource tracking initiatives: FCAA, EFC, UNAIDS and RF.

⁵ The Ford Foundation field offices were counted separately. If they are counted as one organization, the total sample is 104 organizations.



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a. Commitments/disbursements

A commitment is a firm obligation, expressed in writing and backed by the necessary funds, that funding will be provided to a beneficiary or beneficiaries, regardless of the time at which actual disbursements occur (OECD DAC glossary, http://www.oecd.org/glossary/0,2586,en_2649_33721_1965693_1_1_1_1,00.html#1965457). According to OECD, commitments are the sum of (i) any disbursements in the year reported on which have not previously been notified as commitments and (ii) expected disbursements in the following year (NOTE: not years).

Disbursements are actual expenditures or outlays of obligated funds. Disbursements in any given year may include disbursements of funds committed in prior years.

In the questionnaires sent out in 2007, FCAA requests information on commitments and disbursements during a given year. EFC requests information on expenditures. EFC recommends research to generate estimates of in-kind contributions. As the name indicates the UNAIDS National AIDS Spending Assessment (NASA) collects data on disbursements (UNAIDS, notebook, p. 48). The RF questionnaire requests information on *contributions* and funds spent/disbursed (expenditures) in a given year. In-kind contributions are excluded in all four tracking initiatives.

b. Definition of HIV/AIDS activities

HIV/AIDS activities include all interventions, services and activities directed towards the prevention, treatment and care, and social mitigation/support provided in response to the HIV/AIDS pandemic.

FCAA collects data on intended use of the grants. The following categories are distinguished:

1. Awareness and prevention (including harm reduction)
2. Treatment and medical care (including provider and patient treatment information)
3. Social services (e.g. housing, employment, food, legal)
4. Public policy, advocacy, and communications
5. Research (including medical, prevention, and social science research)
6. Other

The EFC survey reports the type of activities that are funded using the following 3 categories of HIV/AIDS activities:

1. Prevention
2. Care/Treatment
3. Research

Prevention explicitly includes education, which is the most popular preventive activity among European grant makers (70 percent of the organizations fund educational activities).

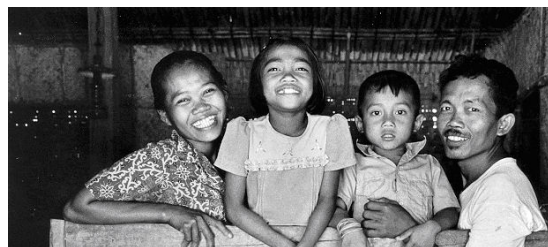
Both UNAIDS and the RF project use the following UNAIDS NASA spending categories⁶:

1. Prevention
2. Treatment and Care Services
3. Orphans and Vulnerable Children

⁶ For a detailed description see, UNAIDS, "National AIDS Spending Assessment (NASA) Classification Tables & Definitions" (2007) or RF, Manual for UNFPA/NIDI Survey on Financial Flows for 2007 Primary Donors – International Foundations." (2008)



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Table 1. Use of HIV/AIDS grants as reported by the four major tracking initiatives

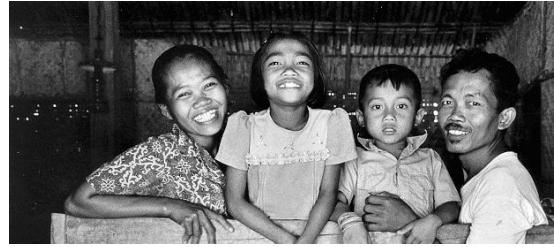
FCAA	EFC	UNAIDS (NASA definitions, October 2007) also adopted by RF Project
HIV/AIDS awareness and prevention (including harm reduction)	Prevention (Education, VCT, PMTCT, Condom Distribution/Promotion)	HIV/AIDS Prevention
HIV/AIDS treatment and medical care (including provider and patient treatment information)	Care/Treatment (Medical care, Home/Community Nursing, Self-help Services, Palliative Care, Helplines & information services)	HIV/AIDS Care and Treatment
HIV/AIDS-related social services (e.g. housing, employment, food, legal)		Orphans and Vulnerable Children
HIV/AIDS public policy, advocacy and communications		Programme Management and Administration Strengthening
HIV/AIDS research (including medical, prevention, and social science research)	Research (Medical, Vaccines, Monitoring, Evaluation & operations, Immunology)	Incentives for Human Resources: Recruitment, Retention and additional expenditures
Other		Social Protection and Social Services
		Enabling Environment and Community Development
		Research (excluding operations research)

Table 2 Geographic divisions

FCAA	UNAIDS	RF project
U.S. (for international) & Canada	North America, Western and Central Europe	No Data Collected
Western & Central Europe		
Caribbean	Caribbean	Latin America and the Caribbean
Latin America	Latin America	
Eastern Europe & Central Asia	Eastern Europe and Central Asia	Eastern and Southern Europe
Sub-Saharan Africa	Sub-Saharan Africa	Sub-Saharan Africa
Asia & the Pacific	Asia Oceania	Asia and the Pacific
Middle East	Middle East and North Africa	Western Asia and North Africa
North Africa		



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4. Programme Management and Administration Strengthening
5. Incentives for Human Resources
6. Social Protection and Social Services
7. Enabling of Environment and Community Programs
8. Research

Table 1 shows the uses of grants as reported by FCAA, EFC, UNAIDS and the RF project.

FCAA distinguishes between restrictive definition and inclusive definition of HIV/AIDS-related spending. The second definition was used in the survey: “The definition of HIV/AIDS-related philanthropy was intentionally inclusive and broad, acknowledging that such efforts often overlap with many other issue areas of philanthropy.” (FCAA, 2006, p. 22).

c. Primary recipient of funds

The RF questionnaire collects information on contributions to intermediate organizations, such as UNFPA and other UN organizations, GFATM and the World Bank. One section of the RF questionnaire for foundations lists general contributions to intermediate organizations. Another section lists contributions to specific projects and/or programmes (earmarked contributions). FCAA as well as EFC do not collect such information. The overall estimate of the 2006 grant commitments of the top 72 grant makers was adjusted downward by US\$13.8 million to account for grants made to other grant makers (1 percent of the total grants committed). This re-granting figure is an estimate based on direct communications with grant makers following review of FCAA survey data and the estimate of missing data (non-response) based on the database of the Foundation Center and other

sources. UNAIDS seeks to ascertain the source of funds to finance national responses to the HIV epidemic. To achieve this objective, the resource tracking process follows the financial transactions from its source down to the final destination (i.e. the beneficiaries receiving goods and services).

d. Nature of funds

FCAA collects information on commitments (amounts allocated) and disbursements whereas EFC collects information on spending. UNAIDS collects information on disbursements (UNAIDS, Notebook, p48). RF collects information on amounts allocated and amount actually spent.

e. Regions

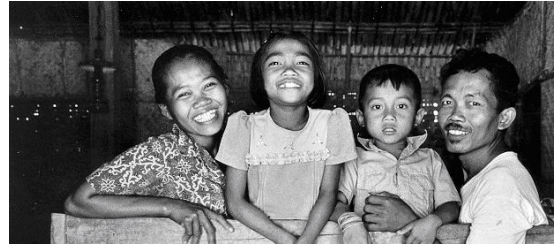
The following table compares the geographic regions for which data are collected by FCAA, UNAIDS and the RF project (Table 2). The EFC reports list individual countries in which funders have stated interests. More than half have interests in South Africa and almost half have interests in other countries of Africa.

Conclusions and challenges

The philanthropic sector in the U.S. and Europe contributes close to US\$ 0.5 billion per year to HIV/AIDS activities in low- and middle-income countries, based on data collected by resource tracking organizations. Resource tracking methodologies differ in the way the data are collected, organizations included, definition of HIV/AIDS activities (functions or spending categories) and regions distinguished. Some resource tracking organizations, such as FCAA, use a combination of data collection methods to obtain the best estimate possible for the major grant makers.



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The UNAIDS NASA methodology is aimed to serve as an assessment and planning tool. It generates information useful for the decision making process and for the design of policies aimed to reduce the HIV epidemic (UNAIDS, Notebook, p11).

The RF project is based on a survey and is strong in detail. It:

- provides data on individual projects funded by the philanthropies,
- distinguishes between commitments (funds allocated) and disbursements,
- records funds allocated to other foundations and NGOs, enabling the estimation of re-granting,
- records funds earmarked to the 14-24 year age group, and
- records future expected expenditures.

The international community spends considerable amounts of money combating the AIDS pandemic. Resources that are mobilized are committed to achieve stated goals, to accomplish specific objectives and reach quantitative targets. They are allocated to a variety of recipient organizations and individuals who use the funds to cover the costs of a multitude of activities, goods and services. The tracking of financial resource flows remains a major challenge but one that is worth the effort because resource tracking is a necessary condition for spending wisely. To optimize the allocation of scarce resources and to improve the cost-effectiveness of policies, programmes and projects, it is not sufficient to compare input and outcome. The spending mechanism and consequently the flow of funds are equally important. To increase the usefulness and utilization of data on resource flows collected by different organizations using different methods,

the data should be harmonized and the data collection process standardized.

This newsletter illustrates the challenges ahead. One challenge is to reduce the differences in reporting practices among organizations by harmonizing concepts, definitions and measurements. A second challenge is to reconcile existing differences in reporting practices by developing ways to *translate* one set of concepts, definitions and measurements into another. It seems that an effective strategy is to approach the harmonization of global resource flows for HIV/AIDS activities from the perspective of Flow of Funds (FOF) accounts such as the National Health Account (NHA). FOF accounts follow the flow of money within and between various sectors of the economy. NHAs describe the flow of funds through the health care system from the sources of funds to the final destinations. The philanthropic sector is one source of funds but one that is becoming increasingly important.

Acknowledgement:

We gratefully acknowledge UNAIDS, FCAA and EFC for comments on earlier drafts.

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