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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 joint collaboration between the United Nations Population Fund (UNFPA), the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Netherlands Interdisciplinary Demographic Institute (NIDI).

Resource Flows NIDI P.O. Box 11650 2502 AR The Hague The Netherlands

Tel +31 (0)70 356 52 29 Fax +31 (0)70 356 52 99 E-Mail resflows@nidi.nl

www.resourceflows.org www.unfpa.org www.unaids.org

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The purpose of the UNFPA/UNAIDS/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.

Comparing Expectations and Realizations in Population and HIV/AIDS Funding by Donors

The UNFPA/UNAIDS/NIDI Resource Flows Project generates predictions to arrive at timely data to monitor the process of funding for population and HIV/AIDS activities. In making these predictions for donors, the project relies to a large extent on future expected expenditures as reported by the donor governments. Most donors increasingly report to the Resource Flows project what they expect will be the amount of money allocated to projects as envisioned by the Programme of Action of the International Conference on Population and Development. If these reported values are missing, mechanistic model predictions are used.

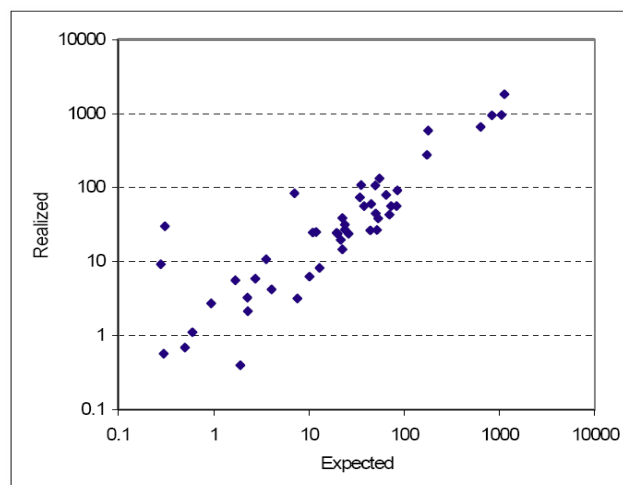
Using reported expected spending figures by donors is a satisfactory method as long as these data provide good forecasts. At present, the number of predictions (in the form of reported future expected expenditures) is large enough to perform some tests to see whether these predictions overestimate or underestimate what is actually donated. The central question in evaluating the forecasts is therefore whether expectations on average match realizations.

As part of the annual Resource Flows Survey respondents are asked to predict their expenditures for population and AIDS activities for the four

years following the survey. To test whether reported expectations are in line with realizations, we have collected matches for three categories of respondents – OECD/DAC donor governments, multilateral organizations and international foundations – and two types of funds: total primary funds and STD/HIV/AIDS funds. The data used for this concern the years 2000 – 2003.

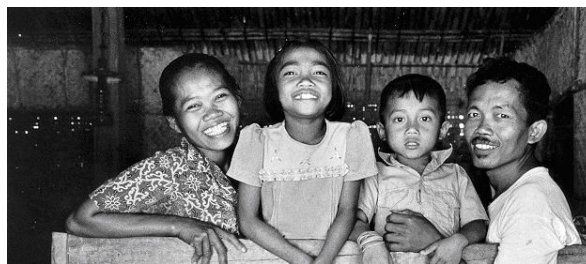
The results of this exercise differ for the three groups of respondents. In the case of OECD/DAC primary funds for population and AIDS the reported figures provide reliable predictions of future expenditures.

Figure 1: *Expected versus realized primary funds of OECD/DAC members, 2000-2003 (in millions US\$), logarithmic scale*





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In Figure 1 the reported and realized values for 21 (of the 23) donor countries lie almost on a 45-degree line. In other words, what is reported for next year is generally realized.

Contrary to the total primary funds picture, the predicting value of OECD/DAC government data on future expected STD/HIV/AIDS expenditures as collected by the RF-project is low (based on 16 donor countries). The general impression is that the percentage of the total AIDS figure that is generated by the United States is so large that over- or underestimation by other donors does not affect the predictive value of reported future expected STD/HIV/AIDS expenditures.

The picture differs considerably if we restrict attention to the foundations and UN organizations/agencies. Their reported figures in Tables 1 and 2 do have some predictive value but the predictions by international foundations clearly overstate what they will disburse in the near future.

Table 1: *Average realizations versus expectations for international foundations, 2000-2003 (in millions US\$)*

Foundations	Expected	Realized
Bill and Melinda Gates Foundation	254.61	209.09
Fogarty International Center	2.30	2.07
General Service Foundation	0.36	0.34
MacArthur Foundation	9.85	11.80
OPEC Fund for International Development	15.00	16.30
The David and Lucille Packard Foundation	77.90	36.68
The William and Flora Hewlett Foundation	30.60	33.77
United Nations Foundation	31.98	11.01
Wallace Global Fund	2.50	0.17
World AIDS Foundation	2.30	2.07

Table 2: *Average realizations versus expectations for UN organizations/agencies, 2000-2003 (in millions US\$)*

UN organizations/agencies	Expected	Realized
Food and Agriculture Organization of the United Nations	1.00	0.53
Joint United Nations Programme on HIV/AIDS	62.08	105.31
United Nations Children's Fund	67.00	67.53
United Nations Development Fund for Women	2.94	2.12
United Nations Economic and Social Commission for Asia and the Pacific	1.62	0.82
United Nations Economic and Social Commission for Western Asia	0.10	0.06
United Nations Economic Commission for Latin America & the Caribbean	1.17	1.16
World Health Organisation	24.60	24.58

In general, the two following conclusions can be drawn based on this exercise:

- The predictive value of future expected expenditures is high; this applies especially to the aggregate of primary funds for population and AIDS, where the reported expectations of OECD/DAC governments are more or less the mark in nine out of ten cases. If we leave out the outliers, it appears that expected expenditures are well predicted. To a lesser extent this appears to be the case where it concerns foundations and UN organizations/agencies.



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- Outliers dominate the overall picture. In the case of expected OECD/DAC funding on STD/HIV/AIDS it is clearly the US which dominates the overall outcome. In the case of foundations and UN organizations/agencies, it is primarily the Bill and Melinda Gates Foundation which dominates the field and, to a lesser extent, the Joint United Nations Programme on HIV/AIDS.

For the near future, these findings imply that the common practice to give priority to stated future expected expenditures instead of statistical model predictions is a good guideline for monitoring donor funding. However, the large outliers in predictions generated by the United States underline the need to keep a close tap on what is going on in the field of funding for population and AIDS activities.

The complete report and other reports on predictions published by the RF project can be found on the project website at www.resourceflows.org.

Magnitude and Characteristics of Expenditures on Family Planning-, Reproductive Health- and STD/HIV/AIDS-related Commodities, 2000-2003

Securing adequate supplies of essential drugs and commodities in the field of family planning, reproductive health and STD/HIV/AIDS for poor countries is critical for achieving poverty reduction, gender equality and health goals. The (financial and technical) involvement shown by national governments and NGOs, the private

sector and international donors contributes, in this context, significantly to making affordably priced products and services more accessible and freeing public resources to serve groups that cannot afford to pay the full price for them.

Questions on the magnitude and characteristics of commodity provision-related financial flows arise: How much money has been spent during the last years? Is commodity provision a priority topic for international donors? Which regions in the developing world have been especially dedicated to strengthen this area?

These are some of the issues to be addressed by analyzing data collected within the framework of the UNFPA/UNAIDS/NIDI Resource Flows project. By means of specific surveys aiming at donors¹, developing country/country in transition governments and NGOs, since 1997 financial information has been gathered on projects in the following fields: family planning, reproductive health, STDs including HIV/AIDS, and basic research/data collection. 'Commodity provision' is one of the nine project types to be indicated by respondents, next to advocacy, Information/Education/Communication, male involvement, pilot, research, service delivery, social marketing and 'other'. Experience has shown that projects focus either exclusively on commodity provision or combine this aspect with other components. Since expenditure data are collected at overall project level -rather than at project type level-, disaggregated expenditure information is only available for exclusive commodity provision projects. In the case of "integrated" projects with a commodity provision element, general financial

¹ The following donor categories are handled: OECD/DAC members, international foundations, intermediate donors including international NGOs and UN organizations/agencies, and international development banks.



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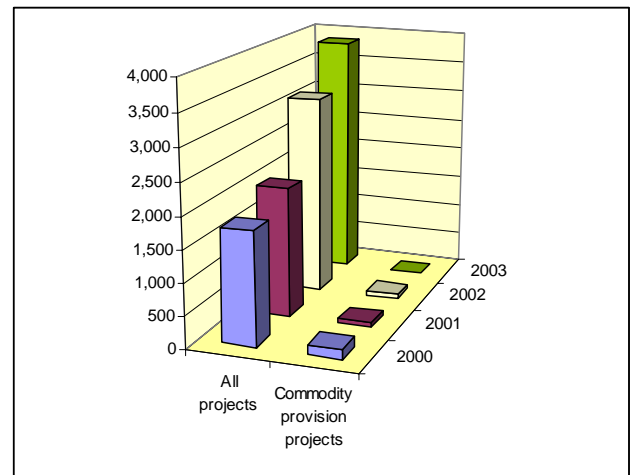
information has therefore been made use of for the purposes of this article. Given the application of such a dual approach, part of the results should, consequently, be interpreted with caution.

International Donors

For the period 2000-2003, international donors reported 396 commodity provision-related projects to the RF survey. In 2000, 210 projects were financed by donors, in 2001 this number decreased to 128. In 2002 and 2003 even less projects were supported (55 and 3, respectively). On average, one out of 100 donor projects registered in the RF database covering the period 2000-2003 referred to commodities.

Not only the number of projects with a commodity provision component diminished significantly over the last years, also the absolute amount of donor funding dropped in an important manner. Whereas in 2000 almost USD 149 million were donated to developing countries and countries in transition, one year later less than half of the funds were made available (approximately USD 72 million). In 2002 the picture changed slightly (USD 68 million). In 2003, however, donor funding for this kind of activities reached rock bottom (approximately USD 4 million). In total, on average only 3% of the *overall* donor assistance for population and AIDS was directed to commodity provision related projects from 2000 to 2003. With a share of 0.09% in 2003, it is more than obvious that commodity provision does not constitute a priority issue for the international donor community (see Figure 2).

Figure 2: Donor expenditures on population and AIDS activities as a total and share for commodity provision related projects, 2000-2003 (in millions US\$)

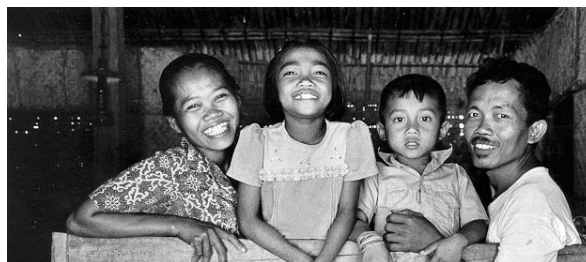


On average, between 2000 and 2003, three out of five donor projects on commodity issues were implemented in sub-Saharan Africa and Asia and the Pacific. The Latin American and Caribbean region accounted for almost 20% of all commodity provision related projects financed by donors, whereas 10% of the projects were labeled as global and interregional initiatives. Eastern and Southern Europe, and Western Asia and North Africa accounted each for 6% of the projects (see Figure 3).

A wide range of donors have supported commodity provision related projects throughout the last years. Information on the top 10 largest projects in this field is presented in Table 3.



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Figure 3: Number of commodity provision related projects funded by donors, by recipient region, 2000-2003

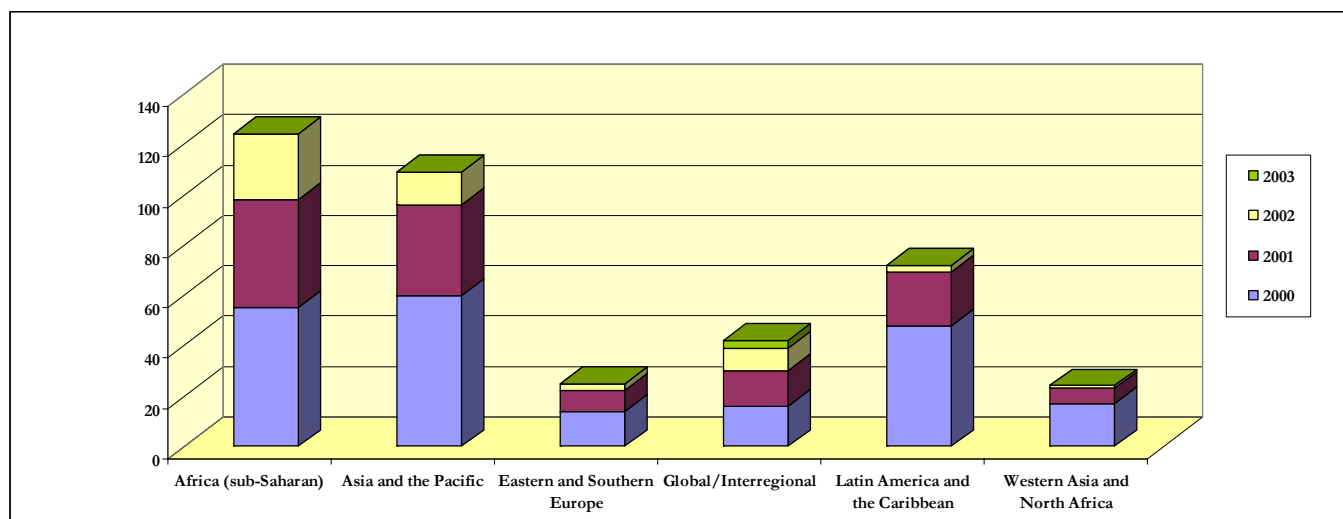


Table 3: Top 10 largest commodity provision related projects funded by donors, 2000-2003

Recipient region (country)	Year	Amount (US\$ in millions)	Donor	Donor category	Project type
Global/interregional	2000	42	The Netherlands	OECD/DAC	Exclusive commodity provision project
Global/interregional	2002	16	John Snow, Inc.	International NGO	Different components including CP
Asia and the Pacific (Bangladesh)	2000	11	USA	OECD/DAC	Exclusive commodity provision project
Sub-Saharan Africa	2001	10	Gates Foundation	International foundation	Different components including CP
Asia and the Pacific (China)	2001	9	Japan	OECD/DAC	Different components including CP
Asia and the Pacific (Bangladesh)	2000	7	Pathfinder International	International NGO	Exclusive commodity provision project
Sub-Saharan Africa (Ethiopia)	2002	7	DKT International	International NGO	Different components including CP
Asia and the Pacific (Bangladesh)	2001	7	Pathfinder International	International NGO	Exclusive commodity provision project
Sub-Saharan Africa	2000	7	African Medical and Research Foundation	International NGO	Different components including CP
Asia and the Pacific (India)	2000	6	Luxembourg	OECD/DAC	Exclusive commodity provision project



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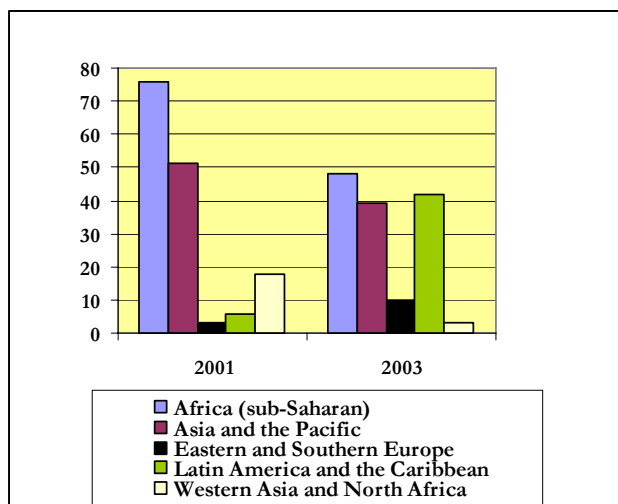
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Developing Countries and Countries in Transition

For financial years 2001 and 2003², developing country/country in transition Governments and national NGOs reported a total of 296 commodity provision related projects (52% of those projects were executed in 2001, 48% in 2003).

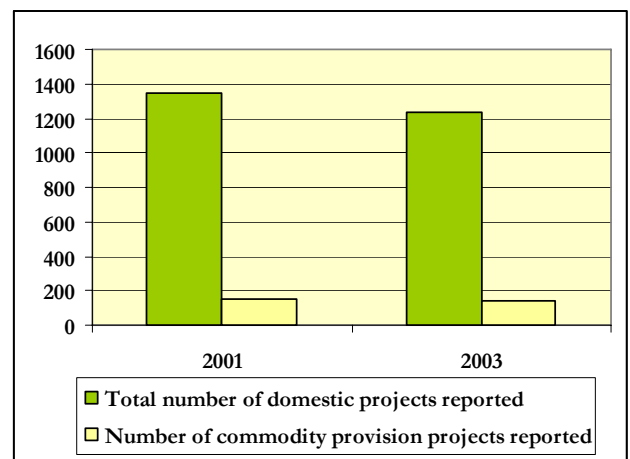
Looking at the geographic distribution, departments and organizations in sub-Saharan Africa, Asia and the Pacific, and Western Asia and North Africa implemented (significantly) less projects in 2003 with own funding, in comparison to 2001. On the other hand, Latin America and the Caribbean as well as Eastern and Southern Europe initiated more activities in this field (see Figure 4).

Figure 4: Number of commodity provision related projects financed by developing countries and countries in transition, by region, 2001/2003



One out of nine domestic projects reported to the RF survey included a commodity provision component in 2001 and 2003 (see Figure 5). Though, an analysis of commodity provision related funds within the framework of *total* domestic expenditures on population and AIDS offers surprising data: in 2001, 72% of all domestic funds were directed at commodity provision related projects; in 2003, this percentage decreased to 64%. This extremely high share can only be explained by the fact that many domestic departments and organizations executed large integrated projects covering several of the initially mentioned project types. As a consequence, real expenditures made by developing countries and countries in transition on commodity provision were probably much lower in 2001 and 2003, but unfortunately cannot be specifically mapped out with the current method.

Figure 5: Total number of domestic projects on population and AIDS reported compared to the number of commodity provision related projects, 2001/2003



² No domestic RF survey was executed for financial years 2000 and 2002.