UNFPA
UNAIDS
NIDI

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

UNFPA/UNAIDS/NIDI Resource Flows Newsletter. March 2005

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.

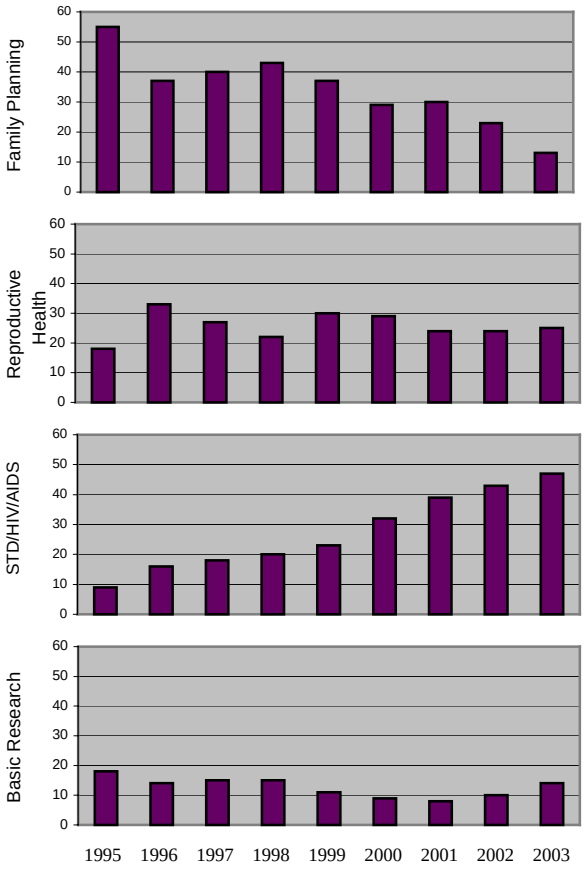
The Report of the Secretary-General on The Flow of Financial Resources for Assisting in the Implementation of the Programme of Action of the International Conference on Population and Development

Although the ICPD financial targets for 2000 had not been met, it is encouraging to note that both international donor assistance and domestic expenditures for population and AIDS activities have increased since then. Donor assistance for population and AIDS, which stood at US$2.6 billion in 2000, was US$4.2 billion in 2003 (provisional data). Domestic expenditures, which hovered between US$7 and US$9 billion during 2000-2002, were estimated at almost US$11 billion in 2003. Together, donor assistance and domestic expenditures for population and AIDS activities yielded a global estimate of just over US$15 billion in 2003.

Total Population Assistance by Category of Activity

UNFPA monitors expenditures for population and AIDS activities by the following four ICPD costed population package categories: 1) family planning services, 2) basic reproductive health services, 3) STD/HIV/AIDS activities and 4) basic research, data and population and development policy analysis. The largest proportion of total population and AIDS assistance goes to STD/HIV/AIDS activities. In fact, 83 percent of the increase in donor funding from 2002 to 2003 was due to AIDS related funding. In line with the rapid spread of the HIV/AIDS pandemic, the share of funding for STD/HIV/AIDS activities increased sharply (from 9 percent in 1995 to 47 percent in 2003). Consistent with the ICPD call for integration of services, funding for basic reproductive health services increased, with fluctuations, over the period 1995 to 2003, while explicit financial support for family planning services decreased. Funding for basic research activities declined from 18 percent in 1995 to 14 percent in 2003 (figure 1).

Figure 1: Expenditures for Population and AIDS Activities as a Percentage of Total Population Assistance, 1995-2003



Source: UNFPA, Financial Resource Flows for Population Activities in 2002 and RF Project Database.

UNFPA
UNAIDS
NIDI

Funding for family planning services decreased in absolute dollar amounts from US$723 million in 1995 to US$461 million in 2003, a decrease of 36 percent. Although funding for reproductive health and basic research activities increased by 275 percent and 110 percent, respectively, between 1995 and 2003, assistance for STD/HIV/AIDS activities increased 13 fold in absolute dollar amounts during the same period. Given the increased emphasis on addressing the global AIDS pandemic, estimates for 2004 point to a continuation of this trend.

Domestic Expenditures for Population and AIDS Activities

Table 1 presents estimates and projections of global domestic expenditures for population and AIDS activities for 2003-2005. Increases are expected in every region, except in sub-Saharan Africa, which is expected to slightly decrease funding levels in 2005. Roughly one fourth of all domestic expenditures for population and AIDS are spent on STD/HIV/AIDS, with Latin America and sub-Saharan Africa spending around three quarters and just over one half of their funds, respectively, on AIDS.

Table 1: Projection of Global Domestic Expenditures for Population and AIDS Activities, 2003-2005 (1000s US$)

Year		Source of Funds				
		Government	NGO	Consumers*	Total	Percentage for STD/HIV/AIDS
2003	Africa (sub-Saharan)	229,411	73,116	200,735	503,262	56.1
	Asia and the Pacific	2,935,656	69,811	5,128,592	8,134,059	10.3
	Latin America and the Caribbean	879,161	100,916	701,570	1,681,647	79.8
	Western Asia and North Africa	235,416	31,179	144,546	411,141	17.4
	Eastern and Southern Europe	149,679	8,235	54,184	212,098	44.5
	Total	4,429,324	283,256	6,229,626	10,942,206	24.0
2004	Africa (sub-Saharan)	277,663	133,476	242,955	654,093	57.8
	Asia and the Pacific	3,268,048	131,262	5,709,281	9,108,591	12.3
	Latin America and the Caribbean	957,181	137,580	763,830	1,858,591	73.7
	Western Asia and North Africa	305,676	49,212	187,685	542,573	18.3
	Eastern and Southern Europe	205,211	14,562	74,286	294,059	45.6
	Total	5,013,779	466,091	6,978,037	12,457,907	24.9
2005	Africa (sub-Saharan)	261,097	136,128	228,460	625,685	55.2
	Asia and the Pacific	3,336,461	134,496	5,828,797	9,299,753	13.0
	Latin America and the Caribbean	963,946	138,957	769,229	1,872,132	73.4
	Western Asia and North Africa	314,030	50,178	192,815	557,023	18.3
	Eastern and Southern Europe	212,881	15,054	77,063	304,997	45.7
	Total	5,088,414	474,813	7,096,363	12,659,590	25.1

* Consumer spending on population and AIDS 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 and AIDS activities.

Source: H.P. van Dalen and M. Reuser, "Assessing Size and Structure of World-wide Funds for Population and AIDS Activities", The Hague, 2004.

UNFPA
UNAIDS
NIDI

Conclusions

The largest share of funding is currently going to AIDS related activities. However, the increased resources are still not adequately addressing the growing AIDS pandemic. In addition, funding for family planning and reproductive health, which has been lagging behind, should also increase proportionately with current needs in these areas. The substantial increase in funding for AIDS clearly demonstrates that further resources can still be mustered and that, given the political will to do so, they can be made available for the other equally critical components of the ICPD costed population package, especially family planning and reproductive health. The challenge before the international community is to remain on track to reach the US$18.5 billion target for 2005. Without a firm commitment to population, reproductive health and gender issues, and adequate allocation of financial resources in all areas, it is unlikely that any of the goals and targets of the Cairo Conference and the Millennium Summit will be effectively met.

Are ICPD Targets within Sight?

Recently, a study was conducted by the RF project on the world-wide size and structure of funds for population and AIDS activities, generated by donors and the governments and NGOs in developing countries and countries in transition for the years 2003-2005. Focus of this report is the question whether the financial promises made at the ICPD are likely to be fulfilled in the next coming years.

According to this study, the total flow of resources is expected to increase from US$14.2 billion in 2003 to US$18.5 billion current US dollars in 2005. This amount comprises resources from both donors and domestic organisations in developing countries / countries in transition, including a significant share of private out-of-pocket expenditures.

The following conclusions can be drawn from the findings:

- The Programme of Action targeted a sharing of costs between donors and developing countries of 1:2. Donors did indeed provide approximately one third of total generated funds, in nominal terms. However, more than half of the funds in developing countries and countries in transition constitute out-of-pocket expenditures by consumers. Given this prominent position and the concern for poverty in the developing world, it would seem of utmost importance to strengthen the involvement of all public and private stakeholders, including profit and non-profit firms, in population and AIDS activities to alleviate the financial burden for consumers.
- On average, donors as a whole are living up to their commitment by giving more than the aimed 4 percent of ODA to population and AIDS issues. Yet, a large share of a recent increase is attributable to one initiative, namely the United States President's Emergency Plan For AIDS Relief, committing US$2.7 billion to HIV/AIDS in 2005.
- In nominal terms, the ICPD world-wide goal for 2005 is likely to be met[1]. However, a dollar today cannot buy the same basket of goods and services as it did in 1993 – the time when ICPD targets were developed. To allow comparison across time, 2005 figures could be stated in 1993 dollars to correct for inflation. By doing so, the question whether the 2005 ICPD goal will be achieved would have to be answered differently.
- Given the dramatic AIDS pandemic and the skyrocketed health-care costs in general, a financial target considered reasonable in 1993 is no longer sufficient to cover expenses in 2005. Therefore, attention should be given to the question whether the 2005 ICPD target is adequate to meet the increasing needs of developing countries/countries in transition in the fields of family planning,

[1] If Development Bank loans are included, it is likely that the ICPD target for 2005 will be surpassed.

reproductive health, STD/HIV/AIDS and basic research.

- The fact that the world today is very different than at the time of the ICPD is also revealed by the shift from Family Planning and Reproductive Health to AIDS activities. This change will probably be the most dominant trend among the OECD/DAC countries. In 2005 it is expected that 66 percent of their donor funds will be allocated to STD/HIV/AIDS activities. This is in marked contrast to the targeted share mentioned in the ICPD Programme of Action for 2005 of 8 percent. The other elements of the ICPD costed population package are crowded out by the drive to fighting AIDS.

HIV/AIDS and Young People[2]

Young people are among the most vulnerable groups facing the AIDS pandemic. UNAIDS estimates that 50 percent of all new HIV infections world-wide occur among people under 25 and that over 30 percent of the 42 million people living with HIV/AIDS today are aged between 15 and 24[3]. Young people also bear the consequences of HIV/AIDS in various other ways, such as the withdrawal from school to compensate for loss of household income. Moreover, an estimated 15 million children under 18 living today have been orphaned due to AIDS[4].

The 2001 UN General Assembly Special Session on HIV/AIDS (UNGASS) endorsed a number of goals aimed specifically at young people, including:

- To guarantee access, by 2005, for at least 90 percent of young people to the information, education and services necessary to develop the life skills required to reduce their vulnerability to HIV infection;
- In accordance with the ICPD+5 goal, to reduce the HIV prevalence among young people aged 15-24 in the most affected countries by 25 percent by 2005.

The financial resources employed to realise the ICPD and UNGASS goals are monitored by the RF Project. The project database provides information about the origin and destination of funds and the general trend in financing projects and programmes directed at HIV/AIDS and young people. A search on key words related to young people and adolescents in the titles and descriptions of all STD/HIV/AIDS projects / programmes[5] yielded almost 600 cases over the period 1996 to 2003.

Increased focus on young people

The increased attention to young people, in particular adolescents (people aged 10 to 19 years), in recent years is reflected in the trend on STD/HIV/AIDS spending. Figure 2 shows the increased resources that have been mobilised since 1996. The total reported expenditures in 2003 amounted to over US$ 34 million, whereas in 1996 the financial effort in the field of STD/HIV/AIDS and young people was hardly noticeable. This period reveals a five-fold increase in overall annual spending on STD/HIV/AIDS, while the financial support to specific youth projects and programmes increased 21-fold.

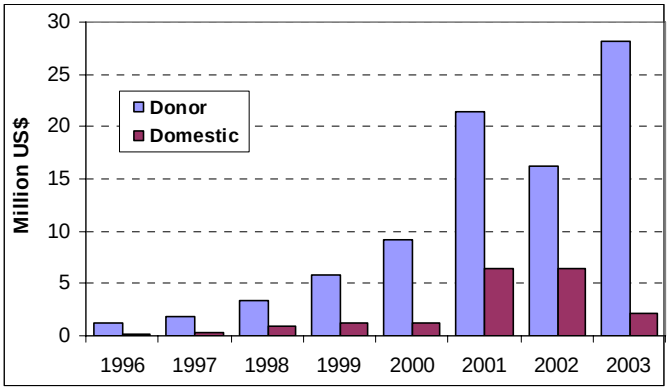
Attention to young people is donor driven

Figure 2 also shows that the largest segment of resources made available for STD/HIV/AIDS activities directed at young people was mobilised by donors. The increased funds channelled to this category of activities in recent years by developing countries and countries in transition, however, reflect both expanded local budgets for STD/HIV/AIDS and greater priority to youth.

[2] Young people are defined as aged between 10 and 24 years.
[3] UNAIDS, 2004 Report on the Global AIDS Pandemic
[4] UNAIDS/UNICEF/USAID, Children on the Brink 2004

[5] STD/HIV/AIDS projects / programmes are those where at least 50% of all funds are earmarked for STD/HIV/AIDS activities.

Figure 2: Expenditures on STD/HIV/AIDS activities directed to young people 1996 – 2003*



* Figures are based on countries and organisations reporting to the RF survey; 2003 data are preliminary; no domestic survey was conducted in 2000 and 2002: data for these years were taken from the previous year.

Private foundations generated over half (58 percent) of all donor funds available for STD/HIV/AIDS activities aiming at young people in the period 1996-2003; OECD/DAC governments nearly a quarter (23 percent). The UN system accounted for 11 percent of all funds, but it has increased its financial support annually since the 2001 UNGASS and provided approximately 22 percent of all donor funds in 2003.
A lion's share of the mobilised resources was directed towards activities in sub-Saharan Africa (72%), followed by Asia and the Pacific (15%), Latin America and the Caribbean (8%).

Examples of projects and programmes directed towards young people and HIV/AIDS

Recreation for AIDS prevention (Thailand):
A project to organise a peer volunteer team among youth and conduct peer to peer training on HIV/AIDS prevention.

Preventing HIV/AIDS and other STDs among young people (Malawi):
A programme to increase access to accurate information and services on HIV/AIDS and other STDs among youth aged 15-24

Support project of AIDS orphans (Tanzania):
A project to support groups working among AIDS orphans and to slow down the spread of HIV/AIDS among women, children and adolescents.

Concluding Remarks

In recent years attention to STD/HIV/AIDS and young people has increased considerably. However, the mobilisation of funds for these activities remains primarily a donor issue.

The RF project acknowledges the need to address the position of young generations in the context of HIV/AIDS. The annual RF survey will, therefore, include specific questions related to young people from the 2005 survey round onwards.

Reproductive Health Accounts: Why, What and How?

Why?

The health system in a country comprises a myriad of financial transactions between numerous actors, including the people who finally benefit from health services and goods. Insight into these financial flows and the distribution of funds is key to evaluate and improve the performance of the health system in a particular country or region. In addition to the world-wide annual RF survey, the RF project initiated the development of a Reproductive Health Account (RHA) to better capture the financial flows for reproductive health (including HIV/AIDS). A RHA will help answer questions like:

- How are funds mobilised; how do public and private sources compare?
- Who provides reproductive health services; what resources do they use?
- Are funds adequate to achieve reproductive health goals set in the health sector?
- Who pays and how much is paid for reproductive health care?

UNFPA
UNAIDS
NIDI

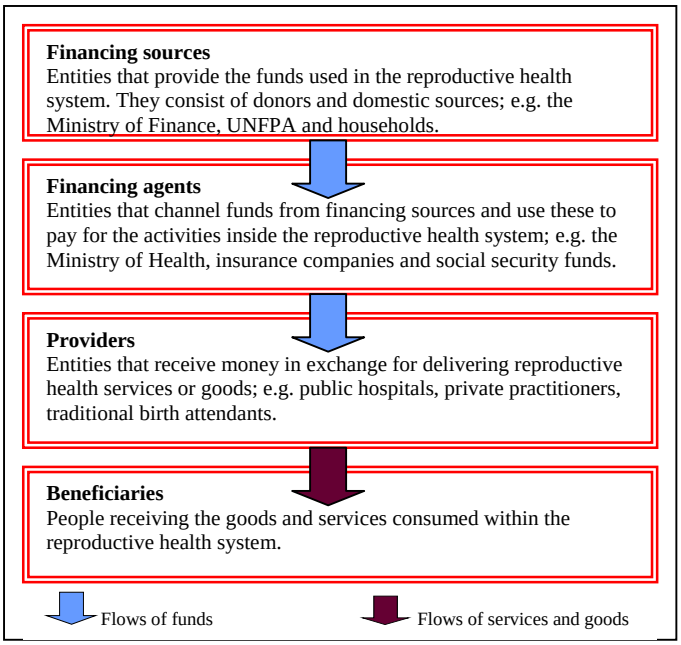
- Who benefits from reproductive health care expenditures?

Also, RHA development furthers local capacities for resource tracking, monitoring and evaluation, and evidence-based policy making.

What?

A RHA is basically a set of origin-destination tables that present financial flows related to reproductive health services and goods (or 'activities') between categories of stakeholders in a particular country: financing sources, financing agents, health care providers and beneficiaries (see Box 1). These actors include public, private (including households) and donor entities.

Box 1: Actors and Flows in RHAs



To identify and classify the different categories of actors and activities, the RHA draws on classifications of the International Classification for Health Accounts (ICHA) by OECD. The organisation of information about who pays, how much and for what in a RHA is consistent with the widely endorsed methodology of National Health Accounts (NHAs). RHAs can, therefore, be seen as satellite accounts of NHAs, similar to other disease-specific sub-accounts.

How?

The RF project initiated a RHA at sub-national level in India in December 2004. The case study is implemented in Karnataka State (population 53 million in 2001) by the Centre for Multi-Disciplinary Development Research (CMDR) in collaboration with NIDI. Initial activities included the inventory of the reproductive health system and the development of context-specific and policy-relevant classification schemes. In March 2005, data collection on reproductive health expenditures will start among the different actors, including a survey on household out-of-pocket expenditures. Collected information and estimates of missing data will be combined to produce the set of tables that traces reproductive health funds from financing sources to activities and final beneficiaries. Subsequent analysis will provide insight into the performance of the Karnataka health system and address equity and distribution issues. This will support decision processes of policy makers and stakeholders for effective and efficient programmes and policies. It is planned to present the first results in a workshop in Dharwad in June 2005.

Future Activities

Apart from analysis and dissemination, follow-up activities will include efforts to integrate RHAs in Indian NHAs that are currently being developed. The Karnataka experience will furthermore be used for the advancement of the RHA instrument and the implementation of RHAs in other countries.

The next RF newsletter will be published in July 2005. All newsletters are posted on the RF website (www.resourceflows.org). Comments and suggestions can be e-mailed to resflows@nidi.nl.