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The flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development: a ten-year review

Report of the Secretary-General

The present report responds to a request made at the twenty-eighth session of the Commission on Population and Development for an annual 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. It also complies with General Assembly resolutions 49/128 and 50/124 in which the Assembly called for the preparation of periodic reports on the financial resource flows to assist in the implementation of the Programme of Action.

The report examines progress since Cairo in the mobilization of resources to implement the ICPD Programme of Action. It analyzes trends in bilateral, multilateral

and foundation/non-governmental assistance to population activities in developing countries from 1994 to 2002, and domestic expenditures reported by developing countries from 1997 to 2001. Estimates are provided for donor and domestic expenditures in 2003.

Despite a steady but slow increase in resources for population over the last ten years, the ICPD target of mobilizing $17 billion by the year 2000 was not met. To reach the $18.5 billion target for 2005, the international community would have to allocate a larger share of ODA to population and increase levels of aid overall and developing countries would have to mobilize additional domestic resources. It should be pointed out that provisional figures for 2002 and estimates for 2003 are encouraging. Donor assistance increased to $3 billion in 2002 and is expected to increase slightly in 2003. A rough estimate of resources mobilized by developing countries, as a group, adjusted for decentralized government expenditures in one large country, yielded a figure of $11.7 billion for 2003. The challenge before the international community is to reach the target for 2005.

The messages ten years after ICPD are clear: current levels of resource mobilization are inadequate to fully implement the Cairo agenda; resource gaps are especially large in poor countries. The consequences of resource shortfalls include significant increases in unintended pregnancies, abortions, maternal morbidity and mortality, infant and child mortality, as well as AIDS-related morbidity and mortality. In particular, for the least developed countries, donor assistance is critical to achieve

ICPD goals. Population and reproductive health are central to development and must be included in development programmes and poverty reduction strategies. Without a firm commitment to population, reproductive health and gender issues, and the concomitant allocation of financial resources, it is unlikely that any of the goals and targets of the Cairo Conference and the Millennium Summit will be effectively met.

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I. Introduction

1. This report has been prepared by the United Nations Population Fund (UNFPA) in response to a request at the twenty-eighth session of the Commission on Population and Development[1] for an annual 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).[2] The report is part of the work programme of the Commission on Population and Development and is in accordance with General Assembly resolutions 49/128 and 50/124 which called for the preparation of periodic reports on the flow of financial resources for assisting in the implementation of the Programme of Action.

II. Background

A. The ICPD: A New Way of Thinking on Population

2. The tenth anniversary of the International Conference on Population and Development, which was held in Cairo in September 1994, provides an opportunity for the international community to take stock of progress, including lessons learned and constraints encountered, towards the achievement of the goals and objectives of the ICPD Programme of Action.

3. The largest inter-governmental conference on population and development ever held, the ICPD was a turning point in the way people look at population issues. The adoption of the Programme of Action, which outlined a comprehensive population, reproductive health and

development agenda for the next 20 years, marked the beginning of a new era of commitment and willingness on the part of Governments, the international community, the non-governmental (NGO) sector and concerned organizations to integrate population issues into all aspects of economic and social activity in order to achieve a better quality of life for all individuals today as well as for future generations. test

4. The ICPD Programme of Action endorsed a new strategy that emphasized the integral linkages between population and development and focused on meeting the needs of individual women and men. The ICPD established a people-centered approach. The key to this new approach was empowering women and providing them with more choices through expanded access to education and reproductive health, including sexual health and family planning, and other health services, skill development and employment, and through their full involvement in policy- and decision-making processes at all levels. The ICPD rejected the top-down approach in policy formulation and brought the concept of human rights, including reproductive rights, to the forefront. It recognized the need to empower women, both as a highly important end in itself and as a key element in attaining population stabilization and in improving the quality of life for all.

5. The ICPD set a number of mutually reinforcing goals for achieving sustainable human development to be attained by 2015. These were: sustained economic growth in the context of sustainable development; universal access to comprehensive reproductive health services, including sexual health and family planning; reduction of infant, child and maternal mortality; and universal primary education, especially for girls.

6. The success of the ICPD depends greatly upon the willingness of Governments, local communities, NGOs, the international community and all concerned organizations and individuals to turn the ICPD recommendations into action. A strong consensus emerged in Cairo for both a focused programme on population and reproductive health and an agreed schedule of resource mobilization.

7. Resource mobilization was thus an important part of the Cairo agenda to achieve the ICPD goals. Without adequate financial resources, the population, reproductive health, gender and other goals will not be met. The consequences of resource shortfalls include significant increases in unintended pregnancies, abortions, maternal morbidity and mortality, infant and child mortality, as well as an increase in AIDS-related morbidity and mortality and the resulting social and economic impact on individual families, communities and countries. Reproductive ill-health undermines development by, *inter alia*, diminishing the quality of women's lives, weakening and, in extreme cases, raising mortality rates of poor women of prime ages, and placing heavy burdens on families and communities. Resource shortfalls in the population and reproductive health area also impede progress towards achieving the Millennium Development Goals (MDGs).

8. A Special Session of the United Nations General Assembly was convened in 1999 to mark the fifth anniversary of the ICPD. The ICPD+5 review process focused on policy changes and operational experiences at the country level in order to draw out lessons learned, identify constraints encountered and recommend key future actions required. The review demonstrated that the ICPD goals are still valid and that much progress had been made in advancing the Cairo goals. Many countries had taken steps to integrate population issues into

their development strategies and many had embraced and strengthened the recognition of reproductive rights through policy changes.

9. At the same time, the review revealed that action was needed in such areas as reducing maternal mortality, preventing HIV/AIDS and addressing the reproductive health needs of adolescents. The Special Session adopted *Key Actions for Further Implementation of the Programme of Action of the International Conference on Population and Development*[3] that adopted a set of interim benchmarks for achieving the ICPD goals. It called for increased political will on the part of all Governments and a reaffirmation of the commitment for mobilization of international assistance as agreed at Cairo. The Special Session urged both developed and developing countries and countries with economies in transition to make every effort to mobilize the agreed financial resources required for the implementation of the ICPD Programme of Action. It called on donors to reverse the decline in official development assistance (ODA) and to strive to fulfill the agreed target of 0.7 per cent of gross national product (GNP) for overall ODA as soon as possible.

B. Funding the ICPD: Financial Targets Agreed at Cairo

10. The ICPD Programme of Action specified the financial resources, both domestic and donor funds, necessary to implement the population and reproductive health package over the next twenty years. It estimated that in developing countries[4] and countries with economies in transition, the implementation of programmes in the area of reproductive health, including those related to family planning, maternal health and the prevention of STDs, as well as programmes that address the collection and analysis of population data, will cost, in US 1993

dollars, $17 billion[5] by the year 2000, $18.5 billion by 2005, $20.5 billion by 2010 and $21.7 billion by 2015. Approximately two thirds of the projected costs were expected to come from domestic sources and one third, or $5.7 billion in 2000, from the international donor community. For the year 2005, this would mean $6.1 billion.

11. The Programme of Action pointed out that additional resources would be needed to support programmes that addressed the broader population and development objectives including, *inter alia*, those that sought to strengthen the primary health-care delivery system, improve child survival, provide emergency obstetrical care, provide universal basic education, improve the status and empowerment of women, generate employment, address environmental concerns, provide social services, achieve balanced population distribution and address poverty eradication. No attempt was made to cost out the resources required to achieve these broad population and development goals.

C. Population is Central to the Millennium Development Goals

12. Population and reproductive health factors are central to development and the achievement of the Millennium Development Goals. Population issues must be included in development programmes and poverty reduction strategies if the international community is to make any progress towards the achievement of the MDGs. Placed within a broader context of poverty, and supported by an evidence base, reproductive health and rights issues stand a better chance of being incorporated into national policies and programmes**.** According to United Nations Secretary-General Kofi Annan, "*The Millennium Development Goals, particularly the eradication of extreme poverty and hunger, cannot be achieved if questions of*

population and reproductive health are not squarely addressed. And that means stronger efforts to promote women's rights, and greater investment in education and health, including reproductive health and family planning." (Bangkok, December 2002)

13. The adverse consequences of reproductive health-related morbidity and mortality, including maternal deaths, and the human and environmental impacts of continued rapid population growth undermine individual and family well-being and slow development in many developing countries, widening the gap between rich and poor, both between and within countries. Morbidity and mortality resulting from inadequate access to reproductive health services, family planning, care in pregnancy and childbirth, and prevention of sexually transmitted diseases (STDs) and the human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS), affect women and men in their most productive years and exact a huge social and economic toll on society.

14. Experience has shown that funding for population and reproductive health and family planning programmes and investments in human capital bring results. A window of opportunity for increased savings and investment for economic growth arises when countries reach the stage in the demographic transition characterized by a larger proportion of the population in the working ages relative to dependent children and older persons. Under favorable economic conditions as well as political and social stability, this demographic bonus can have beneficial outcomes for economic growth and poverty reduction. Population and health policies, as well as health and family planning programmes, have helped shape the speed and magnitude of the demographic transition in developing countries. Effective reproductive health, including family planning programmes, together with social and

economic development as witnessed by increasing levels of basic education of both boys and girls and employment opportunities, both of which helped to empower women, were instrumental in increasing contraceptive prevalence rates, lowering fertility rates and reducing poverty.

15. Most developing countries with available trend data show a substantial increase in contraceptive prevalence over the last ten years.[6] Yet considerable unmet need for reproductive health services, including family planning, remains. Demographic and Health Surveys show that desired fertility is significantly lower than attained fertility in many parts of the world, especially in rural areas. In a recent report on investing health for economic development, the World Health Organization pointed out that if conditions that cause avoidable deaths (including HIV/AIDS, childhood diseases and maternal conditions) were controlled in conjunction with enhanced family planning programmes, poor families would not only enjoy longer, healthier and more productive lives, but they would also choose to have fewer children and could therefore invest more for the education and health of each child.[7]

16. The Millennium Declaration adopted at the Millennium Summit in 2000 as well as the Monterrey Consensus adopted at the International Conference on Financing for Development in 2002 make clear that developing countries are committed to achieving the MDGs for poverty eradication, child and maternal health, gender equality, HIV/AIDS prevention, universal primary education and environmental sustainability. But they cannot do this on their own. The poorest countries cannot make all the needed investments in health, education, basic social services and key infrastructure. Without a partnership for development, including reductions in trade barriers, agricultural subsidies, debt relief, technological transfers and

increasing ODA flows, many developing countries will not be able to achieve the MDGs by 2015.

17. The global compact implies responsibilities for both donors and developing countries. Meeting the MDG on partnerships should be done not only from the perspective of increased donor funding but also from the point of view of shared responsibility for resource mobilization and for more effective use of these resources. Donors are called upon to increase aid and to make every effort to reach the target of 0.7 per cent of GNP. If members of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) actually delivered assistance equal to 0.7 per cent of GNP, aid would be $165 billion a year - about three times the current level.[8] For their part, developing countries are called upon to exhibit good governance and demonstrate serious efforts to mobilize domestic resources, undertake effective policy reforms and strengthen institutions. Good governance must ensure that public services are equitable and respond to the needs of poor people.

D. History of Population Assistance

18. International assistance for population activities has come a long way since it first began in the early 1950s, when a small number of private organizations began to provide some $1 million a year to assist several developing countries. Since then, the increasing awareness of the linkages between population factors and development, along with the realization that population growth could threaten sustainable development, resulted in an expansion of population assistance as more and more countries and organizations began to

support family planning programmes, demographic and contraceptive research, and the formulation of population policies.

19. It was this climate that paved the way for the establishment of the United Nations Fund for Population Activities, currently known as the United Nations Population Fund. UNFPA, which became operational in 1969, is the world's largest international source of multilateral population assistance. The Fund helps developing countries, countries with economies in transition and other countries at their request to address reproductive health and population issues, and raises awareness of these issues in all countries.

20. From its modest beginnings in the 1950s, population assistance grew to $257 million by the time of the World Population Conference in Bucharest in 1974 and to $547 million by the time of the International Conference on Population in Mexico City in 1984. And on the eve of the ICPD, donors were contributing $1.3 billion to population activities in developing countries.[9] These funds have made possible the implementation of a wide variety of population programmes throughout the developing world.

III. Trends in Donor Assistance to Population Activities Since 1994

21. UNFPA collaborates with the Netherlands Interdisciplinary Demographic Institute (NIDI) and, since 1999, with the Joint United Nations Programme on HIV/AIDS (UNAIDS) in the monitoring of resource flows to population activities. UNFPA tracks financial flows that are part of the costed population package of the ICPD Programme of Action: family

planning services, basic reproductive health services, STD/HIV/AIDS prevention activities,[10] and basic research, data and population and development policy analysis.

22. Data on donor assistance were gathered by means of a detailed questionnaire that was mailed to around 170 donors that provide population assistance, including countries, multilateral organizations and agencies, major private foundations and other NGOs. Increasingly, information from donor countries is obtained from the OECD/DAC database. Data for 2002 are provisional and are based on responses received as of 15 December 2003. They are subject to change as more responses are received.

23. Data for 2003 are estimates, based on a sample of selected donors, that formed part of a pilot exercise to develop a methodology for obtaining real-time estimates of resource flows. Extrapolations from the sampled data were made to arrive at estimates for all donors.

24. The pre-Conference process and the immediate post-ICPD period saw an increasing flow of resources in the form of donor assistance for population activities. Several members of the international donor community demonstrated their commitment to achieving the goals and objectives of the ICPD Programme of Action through increased donor funding. International assistance for population activities increased 54 per cent between 1993 and 1995, from a total of $1.3 billion to $2.0 billion. The increased level of funding supported population programmes that benefited millions of people in developing countries. However, the momentum of Cairo did not last and population assistance hovered near the $2 billion mark from 1995-1999, with funding levels actually decreasing for the first time since the ICPD in 1997.

25. Although population assistance peaked at $2.6 billion in 2000, the ICPD financial goal of $5.7 billion by the year 2000 was not met; the resources mobilized represented roughly 46 per cent of the target agreed upon as the international community's share in financing the Programme of Action. And in 2001, population assistance decreased to $2.5 billion, about 44 per cent of the target, widening the gap between actual assistance and ICPD targets. The provisional 2002 figure shows an increase to $3 billion (Table 1). Despite this encouraging increase, at current funding levels, the target for 2005 appears unlikely to be achieved (Figure 1). However, with significantly increased allocations to population assistance, resources can be made available as was agreed at ICPD.

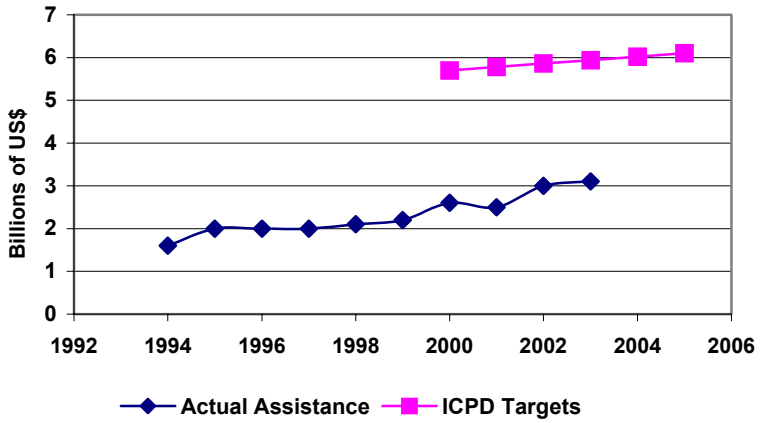
Table 1. International Population Assistance, by Major Donor Category, 1994 –2003 (Millions of US $)

Donor category	*1994*	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*	*2001*	*2002*	*Estimated 2003*
Developed countries	977	1,372	1,369	1,530	1,539	1,411	1,598	1,720	2,180	2,329
United Nations system	107	111	18	49	35	31	77	96	33	28
Foundations/NGOs	117	85	141	106	124	240	299	241	470	393
Development Bank grants	-	6	8	9	10	9	1	3	2	2
Total US $	1,201	1,574	1,535	1,694	1,707	1,691	1,975	2,060	2,685	2,752
Development Bank loans	436	460	509	266	426	540	604	461	328	328*
Grand Total US $	1,637	2,034	2,044	1,960	2,133	2,231	2,579	2,521	3,013	3,080

Source: UNFPA, 2003. *Financial Resource Flows for Population Activities in 2001* and UNFPA/NIDI Resource Flows project database.
Note: The increased flow of resources after 1994 can, in part, be explained by the new classification system that reflects the ICPD costed population package and includes non-family planning reproductive health services and STD/HIV/AIDS activities that were not reported previously. Data for 2002 are provisional; data for 2003 are estimates.

***** The 2003 figure for development bank loans is estimated at the 2002 level.

Figure 1. Population Assistance as compared to ICPD Targets



Source: UNFPA, 2003. *Financial Resource Flows for Population Activities in 2001* and UNFPA/NIDI Resource Flows project database. Note: Data on actual assistance for 2002 are provisional; data for 2003 are estimates.

A. Trends in Bilateral Assistance to Population Activities, 1994-2003

26. Developed countries provide the largest share of population assistance. Bilateral assistance increased slowly but steadily, from $977 million in 1994 to almost $2.2 billion in 2002. Most countries reporting 2002 funding levels increased their contributions over 2001. According to preliminary estimates, donors provided $2.3 billion for population activities in 2003.

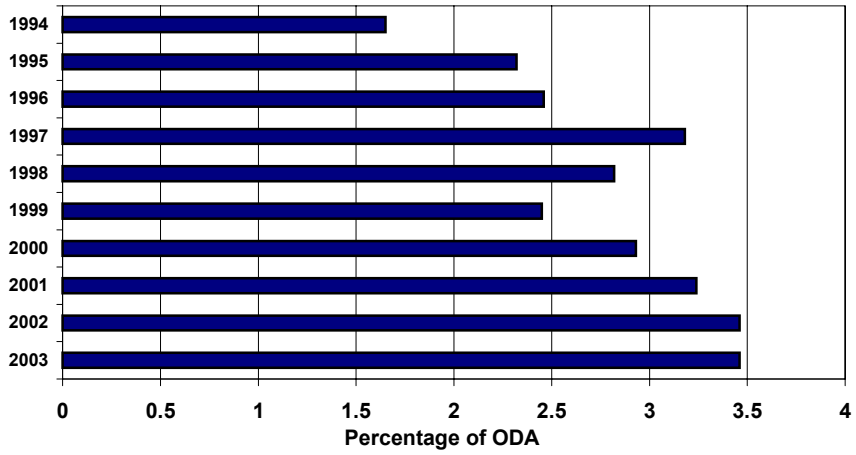
27. Population assistance as a percentage of ODA increased steadily from 1.65 per cent in 1994 to 3.18 per cent in 1997, after which it declined for two years. The figure began to increase once again in 2000 and 2001, when it stood at 3.24 per cent. Provisional 2002 figures show that population assistance as a percentage of ODA increased to 3.46 per cent. The 2003 figure remains at the 2002 level pending release of 2003 ODA data (Figure 2). Only

a handful of countries contribute the suggested 4 per cent or more of their total ODA for population assistance; in 2002, only 5 countries did so.

28. Total ODA declined from $59.2 billion in 1994, reaching a low of $48.5 billion in 1997, increased to $56.4 billion in 1999 and decreased once again in 2000 and 2001 to $53.5 billion and $52.3 billion, respectively. When world leaders adopted the Millennium Declaration in 2000, ODA was at an all-time low as a ratio to donor-country GNP. The International Conference on Financing for Development, held at a critical moment in the history of international development assistance, sought to halt the downward trend in aid and to create a new reinvigorated climate of international cooperation for development. Donor countries committed to increasing their ODA to developing countries in the context of the Monterrey Conference, resulting in a 5 per cent increase in ODA in 2002 to $57 billion. Despite the fresh impetus to development assistance provided by Monterrey, current levels of ODA are still well below those needed to achieve the MDGs and other internationally agreed development goals. Least developed countries are especially in need of larger flows of aid.

29. Results from the UNFPA Global Field Inquiry, conducted as part of the ten-year review of the implementation of the ICPD Programme of Action and the ICPD+5 Key Actions, show that donors are facing constraints in mobilizing resources in their own countries to support international assistance programmes, including implementation of the ICPD Programme of Action. The greatest constraint is the high demand for donor funds and other financial constraints on donors' international aid budgets.

Figure 2. Population Assistance of Donor Countries as a Percentage of ODA, 1994-2003



Source: UNFPA, 2003. *Financial Resource Flows for Population Activities in 2001* and UNFPA/NIDI Resource Flows project database. *Note:* Data for 2002 are provisional; data for 2003 are estimates.

B. Trends in Multilateral Assistance to Population Activities, 1994-2003

30. Multilateral assistance to population activities is provided by the organizations and agencies of the United Nations system, mainly from UNAIDS, UNICEF, UNFPA and WHO. To avoid double-counting, whatever the United Nations agencies receive for population assistance from OECD/DAC donor countries is considered to be bilateral assistance. Agencies' general funds not earmarked for population activities, interest earned on funds and money from income-generating activities that are spent on population activities are considered as multilateral assistance for population. Funds received from developing countries that agencies spend on population activities are a small portion of an agency's regular budget and are also included as multilateral assistance. Multilateral assistance, which was $107 million in 1994, decreased significantly for a number of years primarily due to failure on the part of some major UN agencies to report their income for population activities. Better reporting and

increases in funding saw multilateral assistance increase to $96 million in 2001. With most of the major contributors responding, this figure decreased to $33 million in 2002, reflecting real decreases in funding for population on the part of the United Nations system. It is estimated that funding levels decreased further to $28 million in 2003 (see Table 1).

31. UNFPA is the leading provider of United Nations assistance in the population field, providing support to 144 developing countries in 2002. To stimulate resource mobilization, UNFPA, which relies on voluntary contributions, uses the multi-year funding framework initiative which emphasizes management for results, tying programme support to policy development and linking ICPD and the MDGs in the context of poverty reduction.

32. Over the years, the development banks provided funding for special grants programmes in the area of population. The amounts varied from a low of $1 million in 2000 to $10 million in 1998. The World Bank and, to a lesser extent, the Asian Development Bank, have been providing the grants for population programmes.

33. Development bank loans, which are also an important source of multilateral population assistance, are treated separately from grants because they 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 supports reproductive health and family planning service delivery, population policy development, HIV/AIDS prevention, and fertility and health survey and census work. Loans from development banks totaled $436 million in 1994 and fluctuated over the years, depending on the approval of new project cycles. Bank lending peaked in 2000 at

$604 million. In 2002, the World Bank reported lending $328 million for population activities. In the absence of complete data, the 2003 figure for bank lending is estimated at the 2002 level.

C. Trends in Private Assistance to Population Activities, 1994-2003

34. Foundations, non-governmental organizations and other private organizations are also important sources of population assistance. Private assistance, which fluctuated over the years, increased considerably from $117 million in 1994 to $299 million in 2000. The economic downturn resulted in decreased assistance ($241 million) from foundations and NGOs in 2001, with a number of foundations that provided significant funding for population activities in the past reducing their contributions. The trend was reversed in 2002 as private assistance reached $470 million, but according to preliminary indications, it is expected to decrease to $393 million in 2003. Major contributors in the last few years include the Bill and Melinda Gates Foundation, the David and Lucile Packard Foundation, the United Nations Foundation, the William and Flora Hewlett Foundation and the Rockefeller Foundation. The OPEC Fund for International Development joined the top donors in 2002.

D. Expenditures for Population Activities by Geographic Region, 1994-2003

35. Approximately 140 countries and territories benefited from population assistance each year during the period 1994-2003. With the exception of 1994, sub-Saharan Africa, which includes the majority of the least developed countries, has consistently been the largest recipient of assistance. The next largest recipients of population assistance have been: Asia

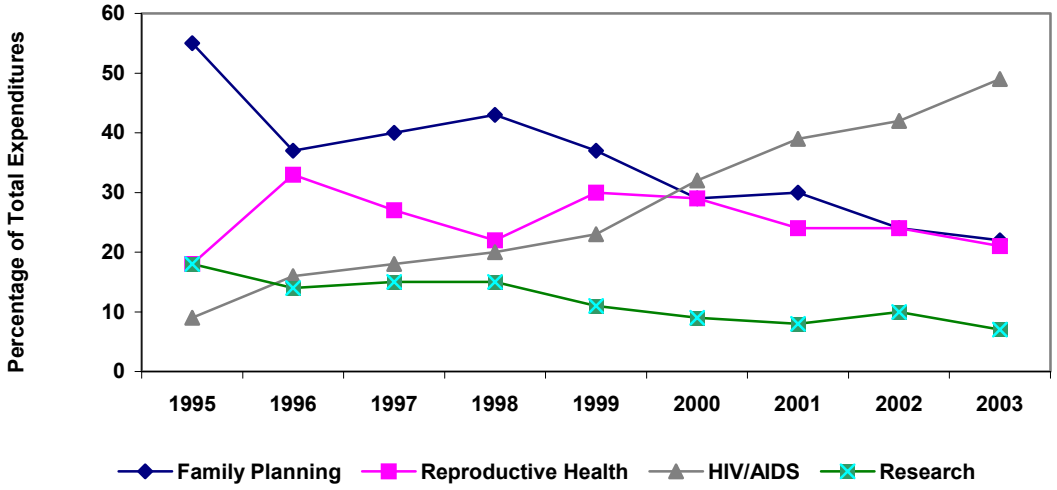
and the Pacific, Latin America and the Caribbean, Western Asia and North Africa, and Eastern and Southern Europe. Global and interregional population activities have been receiving an increasingly larger share of total population assistance over the years, from 14 per cent in 1994 to 44 per cent in 2002. They include such activities as safe motherhood, maternal health, contraceptive technology research, strengthening reproductive health in communities in crisis, international HIV/AIDS programme development and support, and population information programmes. Estimates for 2003 show that sub-Saharan Africa continued to be the largest recipient of population assistance and that the share of funding going to global and interregional activities decreased negligibly to 43 per cent.

E. Expenditures for Population Activities by Category of Activity, 1994-2003

36. UNFPA first began monitoring expenditures for population activities by the following four ICPD costed population categories in 1995: 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. As countries began to embrace the broader approach of ICPD, the amount of expenditures going to the different population components changed over the years. Consistent with the ICPD call for integration of services, funding for basic reproductive health services increased, with fluctuations, from 18 per cent in 1995 to 24 per cent in 2002, while explicit funding for family planning services decreased, fluctuating between 55 per cent and 24 per cent during the same period. Consistent with the rapid spread of the HIV/AIDS pandemic, funding for HIV/AIDS activities increased sharply since 1995, from 9 per cent of total population assistance to 42 per cent in 2002. Funding for basic research activities decreased steadily from 1995 to 2001, from 18 per cent to 8 per cent, but

increased to 10 per cent in 2002. According to estimates for 2003, funding for HIV/AIDS increased to 49 per cent of the total, while that for family planning, reproductive health and basic research decreased (Figure 3). Although in absolute dollar amounts, funding for reproductive health and basic research activities also increased since 1995, the largest and increasing proportion of total population assistance goes to fund HIV/AIDS activities.

Figure 3. Trends in Population Assistance by Category of Activity, 1995-2003



Source: UNFPA, 2003. *Financial Resource Flows for Population Activities* in *2001* and UNFPA/NIDI Resource Flows project database. *Note*: Data for 2002 are provisional; data for 2003 are estimates.

37. The growing trend towards integration of services and the increasing use of sector-wide approaches in development assistance is making it increasingly difficult for countries to readily distinguish between expenditures for population and other health-related activities and, within population, funding that goes to family planning, reproductive health and STD/HIV/AIDS activities.

F. Expenditures for Population Activities by Channel of Distribution, 1994-2003

38. Assistance for population activities flows from the donor to the recipient country through one of the following channels: 1) bilateral – directly from the donor to the recipient country government; 2) multilateral – through United Nations organizations and agencies; and 3) non-governmental – through such organizations as the International Planned Parenthood Federation and the Population Council. Over the years, over 40 per cent of all population assistance was channeled through NGOs. In 1997, 1998 and 2000, the NGO channel accounted for at least 50 per cent of the resource flow. Sixty per cent of population assistance flowed through the NGO channel in 2001 and 59 per cent in 2002. The popularity of using the NGO channel for population assistance, which can be seen throughout all the world regions, is expected to continue in 2003. The bilateral channel accounted for about one quarter of population assistance, except in 1995, when immediately following the ICPD, it accounted for 37 per cent of assistance. It stood at 22 per cent in 2002. The multilateral channel was strongest in the pre-Cairo years, then declined from 31 per cent in 1993 to 23 per cent of population assistance in 2000 and 18 per cent in 2002.

IV. Trends in Domestic Expenditures for Population Activities

39. The ICPD pointed out that domestic resources of developing countries provide the largest portion of funds for attaining development objectives. Domestic resource mobilization is therefore one of the highest priority areas for focused attention to ensure the timely actions required to implement the Cairo agenda. UNFPA has been monitoring domestic expenditures for population activities since 1997. Information on domestic resource flows is based on

responses to questionnaires sent to some 90 UNFPA/United Nations Development Programme (UNDP) Country Offices throughout the world for further distribution to Government ministries and large national NGOs. Surveys of domestic expenditures were initially conducted on an annual basis but, since 1999, to reduce the burden on financial and human resources, countries are surveyed on a two-yearly basis. Country case studies are conducted as part of the resource flows project to supplement the mail inquiry.[11] Data for 2003 are estimates based on a sample of selected developing countries.

40. It is becoming increasingly difficult to track progress of developing countries towards achieving the ICPD financial targets. Each year, fewer countries provide information on domestic expenditures for population activities. Many Governments, including several of the most populous countries, are unable to supply the requested data because of funding, staffing and time constraints. In addition, countries that do not have well-developed systems for monitoring resource flows are unable to provide the requested information, especially when funding is pooled in integrated social and health projects and sector-wide approaches. Further, countries with decentralized accounting systems can only supply data on national expenditures, and are unable to provide information on expenditures for population at sub-national (lower administrative) levels. In the first survey conducted in 1997 (surveying fiscal year 1996), 62 out of the 162 countries covered by UNFPA/UNDP Country Offices responded to the questionnaire. The following year, 79 countries responded. But every survey year thereafter, the number of responses decreased, reaching 47 countries by 2002. While the earlier rounds of data collection covered around 80 per cent of the population in developing countries, by 2002, the responses covered only 52 per cent of the population because a number of the most populous countries did not reply. To address this issue, UNFPA and

UNAIDS are giving high priority to strengthening national capacity to systematically monitor resource flows for population activities.

41. Most domestic resources for population originate with the Government, which plays a major role in financing population programmes in developing countries. The majority of national NGOs are highly dependent on international sources. Their main role lies in advocacy work and in reaching people at the grass-roots level.

42. UNFPA is aware that the private sector, including for-profit providers of population services and commodities, and out-of-pocket expenditures play an important role in financing population activities in many countries. However, reliable and complete information is not readily available and financial, time and staff constraints have made it impossible to systematically capture these data.

43. Based on responses received from the UNFPA/NIDI surveys, government expenditures for population activities were $2.3 billion in 1997, $2.5 billion in 1998, $3.5 billion in 1999 and $1.5 billion in 2001. The much lower expenditures in 2001 are largely due to the fact that a number of countries with large populations did not reply to the survey for fiscal year 2001. As was the case with donor assistance, the level of domestic expenditures for family planning services declined, while those for basic reproductive health services and HIV/AIDS activities increased.

44. UNFPA has been calculating a rough estimate of global domestic resource flows, based on information obtained from countries that responded to the UNFPA/NIDI surveys,

reports of country case studies and supplementary data for a few large countries that either had not responded or had provided incomplete data.[12] The resulting figure yields a global total of government and NGO expenditures for population. An existing estimate of the proportion of private resources in the domestic total (14 per cent) is added to reflect private resources. Results suggest that domestic expenditures, which averaged annually around $8 billion in the years 1997-2000 declined to $7 billion in 2001. Estimates for 2003, adjusted for decentralized government expenditures in one large country, indicate that developing countries mobilized $11.7 billion in 2003.

45. Although the global figure of domestic resource flows is a rough estimate based on data that are 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 and countries with economies in transition, 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 simply unable to generate the necessary resources to finance their own population programmes and rely almost entirely on donor assistance.

V. Resources for Other Population-Related Activities

46. Both donor and developing countries have indicated that a significant amount of resource flows goes to other population-related activities that address the broader population

and development objectives of the ICPD agenda, but that have not been costed and are not part of the agreed target of $17 billion for 2000. Among the population-related activities that countries support include: poverty alleviation, primary health-care delivery systems, child health and survival, basic education, including girls' and women's education, empowerment of women, rural development and income generation. Since they are not part of the costed population package, funding for such activities is not included in the calculations of international population assistance and domestic resources for population. If the amount of resources spent on these activities were added to expenditures for the costed population package, the overall level of support to the ICPD Programme of Action would be considerably higher.

VI. Overview of Issues in Resource Mobilization

47. A number of issues have arisen since Cairo that, if not adequately addressed, will impede full implementation of the ICPD agenda. Chief among them are lack of adequate resources, the continued dependence of many developing countries on population assistance, and the need to ensure that limited resources are used as efficiently and effectively as possible to serve those most in need.

48. Lack of adequate resources. Many low-income developing countries cannot generate the necessary resources to implement population and reproductive health programmes. Results from the UNFPA Global Field Inquiry reviewing progress since Cairo clearly show that a lack of adequate financial resources is the most important constraining factor that prevents the achievement of ICPD goals. Countries reported that they were unable to, *inter alia*, develop

the necessary infrastructure, especially roads, schools and health-care delivery sites; increase human resources; improve the quality of, and increase access to, health-care services, including reproductive health services; provide essential medications and increase contraceptive options; and procure basic medical equipment.

49. Competing development priorities. Poor countries are faced with many competing development priorities. Many of them simply cannot afford to make the necessary investments in population. As a result, population issues are often excluded from social and health sector programmes because there is not enough funding to go around, or because new priorities are surfacing without safeguards to ensure sustainability and expansion of existing programmes. Population and reproductive health issues cannot be ignored. It is essential to mobilize additional and new resources to protect investments already made in existing programmes. Meeting reproductive health supply needs is an essential element in the global effort to save the lives of women and men by protecting their reproductive health.

50. The changing face of development cooperation. Development is no longer universally viewed as the business of specialized bilateral and multilateral aid agencies. There is an increasing belief that financing for development encompasses much more than aid. It includes mobilizing domestic financial resources, mobilizing international resources; international trade; increasing international financial and technical cooperation for development; addressing international debt; addressing systemic issues in the international monetary, financial and trading systems. ODA can no longer be relied upon as the key instrument for the promotion of development. Population must be seen as an integral part of development and population

issues must figure prominently in national development plans and poverty reduction strategies that are devised and owned by the national authorities.

51. Political commitment to the Cairo agenda. The new focus of Cairo requires changes at policy, institutional and managerial levels to re-orient population policies in order to focus on a human rights approach and on the need to provide adequate information and services. Governments and civil society must be willing to commit themselves to the process of integrating population and development strategies and operationalizing the concepts of reproductive health and reproductive rights. Vertically structured family planning services that run parallel with other health services must be integrated necessitating changes in policies and operational and supervisory structures, retraining of staff, and overcoming bureaucratic obstacles and turf problems. Full involvement of NGOs, especially women's groups, at all levels is also necessary.

52. Impact and efficiency of resource use. Given limited financial resources, issues of cost effectiveness and programme efficiency become more salient. It is not sufficient for resources to be mobilized, both donors and recipients must make sure that the resources are used for the benefit of all, but especially poor people. Coordination of donor policies and identification of funding gaps is also essential. A major step towards harmonization of aid procedures was taken in 2003 with the adoption of the Rome Declaration on Harmonization by 20 bilateral and multilateral development organizations and some 50 country representatives. OECD has created a new OECD/DAC Working Party on Aid Effectiveness and Donor Practices to increase aid efficiency through greater harmonization and coherence.

VII. The Future of Monitoring Resource Flows

53. Based on the findings of an external evaluation of the Resource Flows project and an Expert Group Meeting held in June 2003, UNFPA and UNAIDS, in partnership with NIDI and other organizations, plan to review the scope of the Resource Flows data collection project in the new inter-country project cycle 2004-2007. There are plans to broaden project objectives beyond measuring commitment to ICPD and HIV/AIDS goals to encompass equity and impact assessments and to build national capacity to use resource flow data in policy dialogue and country programming processes, including for poverty reduction strategies. To minimize respondent fatigue, UNFPA/UNAIDS/NIDI plan to facilitate reporting by streamlining surveys and focusing on core donors and developing countries while making more extensive use of sampling and estimation techniques. Data collection will strive to meet national needs in addition to the reporting needs of UNFPA and UNAIDS.

54. To address the challenge of separately identifying expenditures for the four categories of population activities because they are part of integrated health projects and sector-wide approaches (SWAps) and to further minimize the burden on respondents, UNFPA is considering the feasibility of collapsing the four categories of the ICPD costed population package into three categories: basic reproductive health services, HIV/AIDS activities and basic research, data and population and development policy analysis. Family planning services would be included under the category of basic reproductive health.

55. UNFPA has begun an initiative to strengthen its capacity to cost the results of its programmatic activities with a focus on the costing of reproductive health interventions. The costing initiative includes a thorough literature review to evaluate studies that have already been undertaken in this area. UNFPA is collaborating with the Royal Tropical Institute (KIT) in the preparation of a practical guide and resource book for the economic and financial analysis of reproductive health. This costing exercise will assist programme managers in setting budgets and allocating resources as well as in monitoring the cost-effectiveness of their activities. It will also facilitate on-going efforts to better integrate population and reproductive health issues into sector-wide approaches and poverty reduction strategy papers (PRSPs).

VIII. Conclusion

A. Progress in Resource Mobilization

56. The ICPD goal of mobilizing $17 billion by the year 2000 was not met and the gap between the target level of resources required and that actually made available remains wide.

Resources directed to the implementation of the ICPD Programme of Action increased since 1994 but not at the level required to implement the Cairo objectives. Both donors and developing countries fell short of the agreed targets. It is estimated that in 2003, donor funding stood at just over $3 billion and domestic resources were estimated at $11.7 billion. Although the increase is seen as an encouraging sign indeed, for many least developed countries, the lack of adequate funding remains the chief constraint to the full implementation of the ICPD Programme of Action and to attaining the goals of the Cairo agenda.

57. The increase in global funding to HIV/AIDS activities, the recent commitments by donors to increase ODA to developing counties in the context of the Monterrey Consensus and the five per cent recovery in development aid in 2002 show that it is possible to substantially increase resources to meet required targets. A number of countries are already providing 4 per cent of ODA to population, demonstrating that, given the will to do so, this is feasible for all donors.

B. Key Areas Requiring Further Attention

58. Ten years have passed since the international community agreed to the financial resource targets to implement the ICPD Programme of Action. The population and health situation has changed dramatically since then, especially the magnitude of the spread of the HIV/AIDS pandemic and the way in which resources are allocated to sectors at the country level. Funding has not been as forthcoming as expected or required, greatly jeopardizing the achievement of the Cairo goals. To accelerate the implementation of the Cairo agenda, especially its financial resource targets, a number of key areas should be addressed:

- **Strengthening of political will and commitment to implement the ICPD financial targets as an integral part of MDG implementation and the mobilization of new, additional and sustained resources to fully implement the ICPD Programme of Action. Acceleration of resource mobilization advocacy efforts is essential to renew national commitments to the Cairo agenda and to ensure that sufficient funding is available from both donor and developing countries to achieve ICPD financial targets**

- **Establishment of an effective partnership of donor and recipient countries, one based on mutual trust and performance and, in addition, on country ownership and donor coordination in support of country goals and the strengthening of collaboration between donors and recipients to avoid duplication, identify funding gaps and ensure that resources are used as effectively and efficiently as possible**

- **Enhancement of the role of the private sector in the mobilization of resources for population and development. Civil society, especially women's NGOs, can play an important role in monitoring population expenditures and trying to ensure that Governments achieve financial targets and equity objectives**

59. The challenge before the international community is to mobilize additional resources, both donor and domestic, to achieve the ICPD targets. It is particularly important to reach the ODA target of 0.7 per cent of GNP and to ensure that appropriate resources are allocated to

population and reproductive health in the new funding and programming mechanisms such as SWAps and PRSPs. And looking forward, the ten-year review of ICPD Programme of Action implementation will be a useful input into the five-year review of the implementation of the Millennium Declaration in 2005.

Notes:

[1] See *Official Records of the Economic and Social Council, 1995, Supplement No. 7 (E/1995/27), annex I, sect. III.*

[2] *Report of the International Conference on Population and Development, Cairo, 5-13 September 1994* (United Nations publication, Sales No. E.95.XIII.18), chap. I, resolution 1, annex.

[3] See *Key Actions for Further Implementation of the Programme of Action of the International Conference on Population and Development* adopted by the twenty-first Special Session of the United Nations General Assembly, 30 June-2 July 1999.

[4] All references to developing countries in this report also include countries with economies in transition.

[5] All subsequent references to dollars are to United States dollars.

[6] See United Nations, *World Population Monitoring 2002. Reproductive Rights and Reproductive Health: Selected Aspects*.

[7] See "Macroeconomics and Health: Investing in Health for Economic Development", Report of the Commission on Macroeconomics and Health. Presented by Jeffrey D. Sachs, Chair, to Gro Harlem Brundtland, Director-General of the World Health Organization on 20 December 2001.

[8] See United Nations Development Programme, *Human Development Report 2003*.

[9] See Rafael M. Salas, *International Population Assistance: The First Decade*, New York: Pergamon Press, Inc., 1979 and United Nations Population Fund, *Global Population Assistance Reports* for 1982-1990 and 1993.

[10] Beginning with the 1999 round of questionnaires, UNFPA/NIDI began including data on HIV/AIDS treatment and care because it was becoming increasingly impossible for respondents to provide information on HIV/AIDS prevention activities only.

[11] To date, case studies have been conducted in the following countries: Brazil, China, Egypt, Ethiopia, India, Indonesia, Islamic Republic of Iran, Nigeria, Pakistan, Peru, Poland, Senegal, South Africa, Thailand and the United Republic of Tanzania.

[12] A simple estimation method is used to calculate the global figure of domestic resource flows. For 2001, for example, results of the 2001 UNFPA/NIDI survey were supplemented by reports of the UNFPA/NIDI case studies and other sources, as available, including data from previous rounds of questionnaires, resulting in a coverage of 90 per cent of the population. Regional estimates of domestic resource flows were extrapolated based on 2001 population data and summed to yield a global total of government and NGO expenditures for population activities. Fourteen per cent of the total was added to this figure to reflect private resources.