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## **PROGRAMME COORDINATING BOARD**

**Sixth meeting**

**Geneva, 25-27 May 1998**

*Provisional agenda item 4.1*

### **Study on the National and International Financing of the National Response to HIV/AIDS**

#### **EXECUTIVE SUMMARY**

At its fourth meeting in April 1997, the UNAIDS Programme Coordinating Board recommended that the Secretariat prepare an overview of the funding status of national AIDS programmes that had received transitional core financial support from UNAIDS in the 1996-1997 biennium.

UNAIDS and the François-Xavier Bagnoud Center for Health and Human Rights of the Harvard School of Public Health undertook a collaborative study with the overall objectives:

- to estimate the amount of national and international resources made available and spent in support of the national response to HIV/AIDS in 1996 and 1997; and
- to make recommendations for the development of a system to monitor this information on an ongoing basis.

The work is still in progress and this report presents the preliminary findings of the 1996 information. The study gives an overview of national and international contributions to the response to AIDS. It also revealed a series of limitations in currently existing resource monitoring structures which will be critical in developing more effective systems in the future.

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## **Work in Progress**

### **I. INTRODUCTION**

1. At its meeting in April 1997, the UNAIDS Programme Coordinating Board recommended that the Secretariat prepare an overview of the funding status of national AIDS programmes that had received transitional core financial support from UNAIDS in the 1996-1997 biennium. (Recommendation 16, Report of the Fourth Meeting of the Programme Coordinating Board to UNAIDS 7 – 9 April 1997). The analysis was to provide an indication of the relative magnitude of this support; the success of national programmes in identifying alternative national and international resources; and the scale of unmet needs. The analysis was also to provide recommendations on how the international community, including the UNAIDS Cosponsors and bilateral agencies, might more effectively address those needs.
2. UNAIDS and the François-Xavier Bagnoud Center for Health and Human Rights of the Harvard School of Public Health, Boston, USA undertook a collaborative study in response to this recommendation. This report presents the preliminary findings of the study.

### **II. STUDY OBJECTIVES**

3. The overall objectives of the study were to:
  - Estimate the amount of national and international resources made available and obligated in support of the national response to HIV/AIDS in 1996 and 1997;
  - Make recommendations for the development of a system to monitor this information on an ongoing basis;

### **III. SOURCES OF INFORMATION**

#### **A. National response to HIV/AIDS**

4. Seventy-three countries were selected for inclusion in the study based. Country selection was based on the country having a UNAIDS Country of Inter-country Programme Adviser or a UNAIDS Focal Point. While the selected countries are not a representative sample of all countries, they do represent the countries most affected by the epidemic and in total are home to over three-quarters of all people living with HIV/AIDS.
5. Survey questionnaires were sent out in English, French and Spanish from November 1997 to January 1998. Follow-up inquiries were made by correspondence and/or by telephone.
6. Sixty-nine countries responded to the survey (94 percent of sample). This preliminary analysis includes sixty-four countries (88 percent of sample) (Annex 1). Five countries returned incomplete questionnaires or returned questionnaires too late for inclusion in this round of analysis.

## **B. Official Development Assistance (ODA) agencies**

7. In parallel, information was collected from ODA agencies using a similar questionnaire. Nineteen ODA agencies and the Commission of the European Communities (EC) were asked in early February 1998 to complete the questionnaire (Annex 2).

8. This preliminary analysis takes into account the fifteen ODA agencies that returned completed questionnaires. The EC provided data that could not be included in this round of analysis and four ODA agencies did not respond.

9. The fifteen ODA agencies included represent countries which accounted for over 90 percent of the overall official development assistance provided by the 21 member countries of the Development Assistance Committee in 1996 (Efforts and Policies of the Members of the Development Assistance Committee Development Cooperation, 1997 Report). It can be assumed that these agencies also account for a large proportion of funds in support of HIV/AIDS projects in developing countries and countries in economic transition.

## **C. UNAIDS Cosponsoring Organizations and other United Nations agencies**

10. Financial reports and information were collected from the six UNAIDS Cosponsoring Organizations: UNICEF, UNDP, UNESCO, UNFPA, WHO, and the World Bank and other United Nations agencies (Annex 3). The study-team interviewed the HIV/AIDS Focal Points of each of the agencies.

## **D. Information collected**

11. Respondents were asked to identify all funding as national, international, or in-kind. These data were divided into three project categories: discrete HIV/AIDS projects, integrated HIV/AIDS projects and vulnerability reduction projects.

- **Discrete HIV/AIDS/STD projects** are projects whose objectives and strategies are specifically aimed at reducing the spread of HIV and other STDs, providing care and support to those affected, their families and communities, and supporting relevant research.
- **Integrated HIV/AIDS/STD projects** are not specifically labelled as HIV/AIDS/STD projects but are incorporated into broader health and social programmes such as MCH, Reproductive Health and Health Education. The respondents were asked to estimate the HIV/AIDS/STD component of such projects.
- **Vulnerability reduction projects** are social, economic and health development projects, which do not fit the above two categories. Such projects include activities intended to reduce people's vulnerability to HIV/AIDS such as increasing the educational achievement of girls or developing anti-poverty programmes in populations highly vulnerable to HIV/AIDS.

#### IV. SCOPE AND LIMITATIONS OF THE STUDY

12. While the study largely achieved its objectives in collecting and analyzing an extensive set of data on national and international financing of HIV/AIDS programmes, several factors limited the completeness of the information collected, and, hence, the validity of the analysis.

13. The data collected varied considerably in coverage and completeness. This was true for both the country surveys and the ODA agency responses. The study team checked all returns and followed up with countries and ODA agencies to secure as accurate information as possible. Verification of information reported revealed several issues that may have an impact on the validity of the analyses. Further verification is required prior to the finalization of the analyses. Some of the key problems shared by ODA agencies and country respondents include the following:

- Difficulties in tracking or reporting financial resources according to the format prescribed by the study;
- Problems in estimating the proportion of funds spent on HIV/AIDS in integrated projects;
- Time gaps between when funding is obligated by ODA agencies and when it is received and committed in recipient countries;
- Fluctuations in currency exchange rates to be applied for a computation in 1996 and 1997 US Dollars, the currency of reference for the analysis;
- Differences across fiscal years of countries and ODA agencies.

##### A. Country responses

14. Most of the data submitted by countries represented HIV/AIDS resources obligated by national governments and by local NGOs and institutions receiving funds from national governments, ODA agencies, UNAIDS and its Cosponsors, and other international agencies. The country surveys included very little information on funding obligated by district or municipal governments, funding made available directly to NGOs/CBOs, or funding provided by the private sector.

15. Only few country respondents were able to provide cross sector spending on HIV/AIDS. Most respondents tended to concentrate on HIV/AIDS-related expenditures in the health sector. In line with this, country surveys included very limited information on vulnerability reduction projects. Thus, for the current study, analysis of activities tailored to reduce vulnerability to HIV/AIDS was not possible.

16. Expenditures related to prevention activities were much better covered than those related to care and support. Country respondents were not asked to record expenditures toward mitigating the impact of HIV/AIDS, such as paid sick-leave, early retirement or social programmes targeting orphans and other affected populations. Similarly, no information was provided on HIV/AIDS care costs incurred to health insurance schemes. Finally, the information collected rarely included expenditures for staff salaries and infrastructure.

17. The study team adjusted incomplete country data on the basis of complementary information. For example, when there was sufficient evidence from ODA agency returns that funds had been made available to a country partner, but this information was not reported by the recipient country, funds obligated to this country were increased by all or part of the amount reported by ODA agencies.

## **B. ODA Agency Responses**

18. Most ODA agencies provided complete information for 1996 while many of them had only partial information for 1997. By February-April 1998, the period of data collection, many ODA agencies were still unable to provide complete data for 1997. Information on bilateral funding was incomplete or unavailable for at least four countries: Australia, France, Germany and USA.

19. Several ODA agencies indicated that HIV/AIDS is increasingly being integrated into broader health sector programmes and that the proportion of these projects specifically addressing HIV/AIDS is difficult to determine.

20. ODA agencies are not able to track the money allocated by their embassies or country level offices.

## **C. UNAIDS and its Cosponsors**

21. All cosponsors had some difficulties in providing detailed information on the funds available and spent in 1996 and 1997. The income and expenditures of UNAIDS for 1996 and 1997 is reported in its financial report (UNAIDS/PCB(6)/98.7).

22. The agencies with HIV/AIDS budget allocations including WHO, UNDP, UNESCO and UNICEF provided information on total amounts available and spent. WHO could also provide detailed information on source of funds and expenditures by operational level and programme. UNFPA does not have a budget allocation for HIV/AIDS but was able to provide an estimate of how much of their funding was allocated to integrated HIV/AIDS projects.

23. The World Bank provided a list of countries that had received loans partially or totally allocated to HIV/AIDS programmes, covering a period of eleven years (1986-1997). The starting year of the loan was indicated for each country, but not its duration nor the extent to which countries had actually drawn from the loans in 1996-1997.

#### **D. Completion of the data collection**

24. The study team is currently following up with the countries, ODA agencies and the cosponsors with a view to complete the information required to finalize analyses.

#### **V. STUDY RESULTS**

25. This report presents the information provided for 1996. It should therefore be seen as a preliminary account of work that is still in progress. All amounts are reported in nominal US Dollars. Conversion from currencies used in reports and survey returns was based on exchange rates on 1 January 1997, taken as the mid-point of the two-year survey period. Unless otherwise specified by the source of information, multiple-year grants were distributed equally among all years of the grant period. When respondents were not able to estimate the proportion of resources relevant to HIV/AIDS work included in "integrated" HIV/AIDS initiatives, 25 percent of total programme obligations were assigned to HIV/AIDS funding.

##### **A. ODA financial support to the global response to HIV/AIDS in 1996 and 1997**

26. Information was collected from the 15 ODA agencies on their international funding in support of national and global HIV/AIDS programmes in 1996 and 1997. The degree of completeness of the information received for 1996 was sufficient to allow for detailed analysis while the information from 1997 is still too incomplete.

27. International funding in support of the global response to HIV/AIDS increased steeply between 1986 and 1990. The increase continued but at a much slower rate between 1990 and 1993. These findings were reported from the AIDS in the World II financing survey carried out in 1994 (Mann and Tarantola).

28. Twelve of the donors included in the current study were also included in the AIW financial survey. The same trend analysis was done for those twelve countries adding 1996 figures (Figure 1). The data used were extracted from the above report, GPA financial reports and from the information collected in the current study. Figure 1 shows that the international funding of these twelve agencies has stabilized between 1993 and 1996. It also shows a shift in the contributions from multilateral and multilateral funding to bilateral funding. The share of bilateral funding of total international contributions to HIV/AIDS by these agencies had increased from 64 percent in 1993 to 72 percent in 1996. The bilateral funding provided by France and Germany is missing in the 1996 data.

29. A limited number of countries have information on their total contributions to the global response to HIV/AIDS in 1997. Even without information on the breakdown of this information it is possible to compare 1996 and 1997 contributions for a number of donor countries. Figure 2 shows that a number of donor agencies decreased their funding for HIV/AIDS in 1997. The data are, however, too preliminary to allow for final conclusions.



30. The 15 ODA agencies included in the current study reported having committed USD 252.8 million in support of the global response to HIV/AIDS. Figure 3 shows on the right hand side the distribution of the USD 252.8 million by ODA agency (Table 1). The largest contributor was the USA, followed by the United Kingdom and Denmark. When broken down as a proportion of the countries' gross national product their relative contribution is very different as shown on the left-hand side of Figure 3.

30. Table 1 also shows that USD 60.8 million (24 percent) of the donor agency contributions were allocated to multilateral agencies for global, intercountry and country activities, USD 9.6 million (4 percent) as multilateral funding for country activities and USD 182.5 million (72 percent) as bilateral funding to national responses to HIV/AIDS.

### **B. National and international funding of the national response to HIV/AIDS**

31. The preliminary analyses of the country survey information indicated that in 1996, a total of USD 558.57 million was allocated from national and international sources in support of national responses to HIV/AIDS. Of this total, USD 374.41 million, or 66.9 percent, was national contribution (including World Bank loans) and USD 185.37 or 33.1 percent was international. Of the total money spent, most was for discrete HIV/AIDS activities. Overall, discrete spending represented 97 percent of the allocations for 1996. However, this percentage may be an over estimation due to the difficulty in identifying HIV/AIDS spending in integrated programmes and under-reporting of integrated activities (Table 2).

32. Table 3 shows the breakdown of the national and international funding shown in Table 2 by the source of funds. The World Bank funding accounts for 29.9 percent of the total national funding. World Bank loans are included as national funding as governments have to pay back all or part of the loans, albeit at a low interest rate. Governments that take such loans are also demonstrating their commitment to investing in HIV/AIDS programmes. Further analysis of the loan money in the countries included in the study is underway.

33. The international expenditures were broken down by: UNAIDS, United Nations agencies, donor countries, EC, others and unspecified. The bilateral and EC expenditures together constitute 71.4 percent of the total, UNAIDS core funding 3.1 percent and the other United Nations agency expenditures 14.9 percent. The total of United Nation agency funds spent accounts for 18 percent.

34. The details of the contributions by country are shown in Figures 4a – 4c. The graphs are organized according to the size of the countries' national contribution to the response HIV/AIDS and show the national and international funds, spent by each country in the study. The graphs show that the level and pattern of funding varies from country to country and that there does not seem to be a consistent pattern in the distribution of the funding of HIV/AIDS activities. The EC expenditures are included in the bilateral funding column in this graph.

35. A closer look at the distribution of all funds spent in 1996 as reported by the countries in the study will reveal that 36 percent of the total was spent in Brazil, 14 percent in Thailand and 7 percent in India (Figure 5). The national funding, including World Bank loans, spent by the

governments in those three countries constitutes 81 percent of the total of the national expenditures reported by the 64 countries. The Brazilian national spending alone amounted to USD 197 million, or 53 percent of the total national spending reported. This amount is also higher than the reported total amount bilateral funding provided by the 15 ODA agencies together in 1996 for HIV/AIDS activities.

36. One way of assessing whether the availability of funding is meeting the needs of the countries included in the study would be to study the allocation of funds by the estimated number adults living with HIV/AIDS. Eight countries in the world have more than one million adults living with HIV/AIDS, seven of those participated in the study. Close to 50 percent of the estimated total population living with HIV/AIDS in the world live in those seven countries, yet these countries' share of national resources allocated to HIV/AIDS was only 16 percent. On the other hand, twenty-five percent of total international funding was spent in these seven countries.

## **VI. CONCLUSIONS**

37. The work so far has shown how difficult it is to collect, let alone analyze, data of this kind and complexity. It was too ambitious to attempt to collect, analyze on expenditures in 1996 and 1997 and to provide a report so soon after the end of the study period. Neither the countries nor the donor agencies were able to provide final figures for 1997 at the beginning of 1998.

38. The results presented above provided an overview of the funds obligated or spent on HIV/AIDS as reported by the 64 countries included in the study. It also provided an overview of the funds made available by major ODA agencies to the global response to HIV/AIDS.

39. The study showed that the funds made available to the global response to AIDS by the 12 ODA agencies, for which retrospective data were available, stayed roughly the same since 1993. There was a trend towards increased bilateral funding while multilateral and multilateral contributions decreased. Data for 1997 are too preliminary for a final analysis.

40. The 64 countries included in the study are home to more than three-quarters of all the people living with HIV at the end of 1997. National resources amounted to USD 374 million including USD 112 million of World Bank loans. International contributions accounted for USD 185 million, approximately one third of the total resources made available for the national response to AIDS.

41. The study is limited in its capacity to provide details on the breakdown of the international or national contributions. Some donor contributions include costs for infrastructure and staff, while others, like the UNAIDS funding only includes the direct financial support to the countries. The picture could be significantly different if all activity or staff expenditures were included for all donors and national contributions.

42. The study also revealed limitations in identifying resources made available as part of activities that are integrated in broader programmes, such as maternal and child health, or education. It has become increasingly clear that integration of AIDS issues as one component in other sectors will be

important to solve the large variety of problems related to prevention, care and support.

43. It also became obvious that currently existing monitoring mechanisms cover the different parts of HIV/AIDS programmes to a very different extent. Most of the resources recorded in the current study cover efforts in prevention, mainly implemented and coordinated by the national AIDS programmes. Other sectors such as care and support for those infected and affected will become increasingly important and may exceed the expenditures of prevention activities, yet are poorly covered.

44. International contributions do not necessarily go where the epidemic is worst and the needs greatest. The reasons for this are many. Improved monitoring systems of resources and unmet needs may be instrumental in guiding donors and those in need when allocating available resources.

45. The current study provides a solid baseline for further work on improved monitoring systems on resources flows, the needs and the opportunities. It can be expected that such a system in combination with other information included in the UNAIDS Information System (country profiles and epidemiological fact sheets) will be helpful in further improving the global strategies in the response to HIV/AIDS.

## **VII. RECOMMENDATIONS**

46. It is recommended that national programmes be encouraged to monitor needs and availability of resources for their response to HIV/AIDS. The assessment and monitoring of needs and availability of resources for the national response to HIV/AIDS should be an integral part of the strategic planning process. This strategic planning process promoted by UNAIDS and its cosponsors can offer a unique opportunity to better understand issues involved and to integrate improved monitoring systems for the flow of resources when implementing the plans.

47. It is recommended that UNAIDS and its Cosponsors:

- develop a plan towards a common system for monitoring and reporting on HIV/AIDS-related expenditures using a more consistent approach to track these expenditures by cost elements;
- further develop tools and criteria for identifying and tracking resources and expenditures of HIV/AIDS-related activities in broader programmes

48. It is recommended that some common reporting structure be worked towards in order to facilitate the aggregation of the country information at a global level. It is also recommended that a global reference group be established to assist in this effort to develop a mechanism for monitoring international and national resource needs and availability. The reference group should include representatives from donor agencies, United Nations agencies, UNAIDS and National AIDS Programmes as well as representatives of international organizations and committees such as OECD and DAC.