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NATIONAL SPENDING FOR HIV/AIDS 2004



Abt Associates Inc.



Fundación Mexicana para la Salud
Institución Privada al servicio
de la Comunidad



idasa

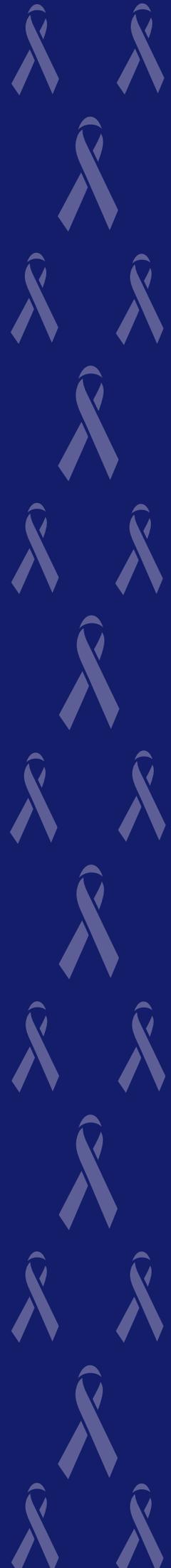


PHR*plus*



SIDALAC

Iniciativa Regional
sobre SIDA para
América Latina y el
Caribe



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National Spending for AIDS 2004

Acknowledgement:

In 2002, UNAIDS established a Global Resource Tracking Consortium for AIDS, composed of international experts in this field. This report was developed out of the collective experience and extensive research of these experts who track the financial expenditure on HIV and AIDS at national and international levels. We would like to acknowledge the extraordinary contributions made by these partners, whose logos are presented on the front cover.

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National Spending for AIDS 2004

Executive summary

Understanding the magnitude of spending on AIDS programmes, the sources of such funding, and the activities supported by such expenditures is critically important to policymakers, programme planners, and international donors. Effective resource monitoring helps identify gaps in the response, improves the strategic ability of countries and donors to target resources most effectively, and helps measure the degree to which words of commitment on AIDS are matched by financial resources.

UNAIDS has significantly increased its capacity in recent years to monitor the level and nature of spending on AIDS programmes in low- and middle-income countries and on research into the development of new prevention technologies. In both 2002 and 2003, UNAIDS provided its governing board (the Programme Coordinating Board) with detailed reports on HIV-related spending in low- and middle-income countries. These reports demonstrate a significant increase in resources available for AIDS initiatives at country level.

In monitoring resource flows for HIV and AIDS, it has proven easier to collect information on donor governments, multilateral agencies, foundations and nongovernmental organizations (NGOs) than to obtain reliable budget information on domestic outlays for HIV and AIDS in affected countries. As a result, UNAIDS has focused significant efforts on strengthening the capacity of countries to monitor and track expenditures for HIV and AIDS.

This report summarizes the latest information available on HIV-related spending in 26 countries. Seventeen of the countries are from the Latin America and Caribbean (LAC) region. Resource tracking in the LAC region, as well as in Thailand, Burkina Faso and Ghana has benefited from the leadership of the Regional AIDS Initiative for Latin America and the Caribbean (SIDALAC), which helped implement the National AIDS Account (NAA) approach. Beginning with pilot projects in three countries in 1997–1998, NAA has now been extended throughout the region, in large part due to the provision of extensive technical assistance by countries involved in the early pilot projects.

NAA uses a matrix system that describes the level and flow of health expenditures on AIDS. The NAA model: a) identifies key actors in HIV and AIDS activities; b) uses existing data or makes estimates for specific services or goods purchased; c) analyses domestic (public and private) and international budgets; d) determines out-of-pocket expenditures; and e) assesses the financial dimensions of the country's response to AIDS.

Using a similar approach, Abt. Associates Inc. measures HIV and AIDS spending through a sub-analysis of the National Health Accounts (NHA) framework. At a minimum, the subanalysis reveals the proportion of HIV and AIDS expenditures as a share of total health expenditures (THE). Further analysis can show the percentage of spending by the public, household and donor sector demonstrating who is financing

HIV and AIDS expenditures. This approach has been utilized in Kenya, Zambia and Rwanda.

The Institute for Democracy in South Africa (IDASA) however uses a different methodology to capture HIV and AIDS expenditure in Kenya (where a NHA HIV and AIDS subanalysis has also been conducted), Mozambique and South Africa. The approach focuses on sources of health and HIV and AIDS financing, in terms of state *budgeted allocations* i.e., health and HIV and AIDS amounts committed from nationally-sourced revenue. It gives some attention to the ratio of government to donor funding in HIV and AIDS activities but does not consider private nor out-of-pocket actual expenditure. The allocations are disaggregated according to type of service provided, highlighting priorities in governments' responses to the pandemic.

Comparison of spending among the 26 countries is difficult due to the use of different methodologies and time frames for analysis. In addition, the countries studied include both middle-income countries and low-income countries. While HIV prevalence is extremely high in some of the countries, it is quite low in others. In some of the 26 countries, infection rates are decreasing, while in others they are increasing. However, despite the diversity in national circumstances, a few preliminary conclusions can be drawn:

Many low- and middle-income countries are devoting significant domestic resources to the fight against HIV although the need to further prioritize HIV spending in national budget allocations is pressing in many countries. No clear picture emerges regarding the breakdown between the share of spending attributable to public and private sectors, as the respective role of these sectors depends on national health care financing policies and practices, which differ from one country to another. While HIV-related spending is increasing in some countries, it is decreasing in others.

The Global Fund insists that its resources be 'additional' to other funds available for AIDS, tuberculosis and malaria programmes. If a government reduces its own commitments to these areas as GFATM funds are spent, the Fund's grants may generate no net gain in service delivery. A sound and comprehensive resource tracking system is vital to efforts to monitor displacement and additionality. Consensus agreement among diverse stakeholders on the precise meaning of additionality will be required to develop an appropriate tracking system.

Where the National AIDS Account approach has been implemented, it is possible to obtain at least a preliminary assessment of additionality. Ghana was one of the first countries to receive GFATM funds. A recent retrospective estimation of National AIDS Accounts for 2002 and 2003 shows that the GFATM funds were indeed additional to all previously planned budgets from international agencies, programmes, and governmental organizations.

Although the role of households in financing HIV and AIDS activities varies from one country to the next, it is apparent that the epidemic is imposing significant financial burdens on HIV-affected households, including in some of the poorest countries. This burden has been minimized in some LAC countries that have begun providing free antiretroviral (ARV) drugs in recent years through the public sector.

While it has long been assumed in many quarters that most HIV and AIDS spending in low- and middle-income countries has historically focused on HIV-prevention activities, nearly all countries reported that spending on care and treatment significantly outweighs spending on prevention interventions. This was true not only in the LAC region, where countries are most likely to provide free ARVs, but in non-LAC countries, such as Kenya, Mozambique and Thailand.

The decline in prices for ARVs has had an enormous positive impact on many national HIV and AIDS budgets. As a result of a decline in per-patient treatment costs, Brazil was able to provide antiretroviral therapy (ART) to an additional 14 500 patients while overall HIV and AIDS expenditures declined by 16%. In some countries in the LAC region, private insurers also appear to be covering a greater share of ARV treatment costs, further reducing the burden on the public sector.

Additional work is needed to build national capacity to track and analyse HIV budgets. While this is true in many LAC countries, it is a special priority in non-LAC regions, where significantly less information is currently available on HIV and AIDS resources. The challenge facing many countries in tracking spending by external sources also underscores the importance of donor coordination with national authorities.

Funding the Fight against AIDS in Argentina National AIDS Accounts (1999–2002)

Argentina

Total Population	37.5 million
Adult HIV Prevalence	1%
HIV/AIDS infected adults and children	130,000
Life Expectancy at Birth	73.9 years

Argentina has 38.7 million inhabitants (2001) and very high levels of literacy. After a long period of economic growth and apparent stability, the economic reforms implemented during the last decade have generated a deep social and economic crisis, which has escalated into social unrest. The country now faces a serious economic situation. The unemployment rate is estimated at about 21.5% and an underemployment rate at 18.6% (May 2002). There is an external debt of US\$ 155 billion and negative economic growth; poverty is expanding nationwide. Today, Argentina faces one of the most difficult periods in its history. The conditions of crisis create a favourable context for the transmission of HIV. In addition, the commitment to provide universal access to care and treatment (including antiretroviral drugs) for people living with HIV has been seriously jeopardized by the lack of funds and medication in the country. The response to HIV in Argentina suffers from fragmentation of service delivery. No single social-security institutions exist to coordinate or deliver medical or social services (there are many single organizations called “obras sociales”). The country’s National AIDS Program has provided universal access to antiretroviral therapy since 1996.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on HIV and AIDS, strengthen national capacity to monitor resource flows on HIV and AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize HIV and AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

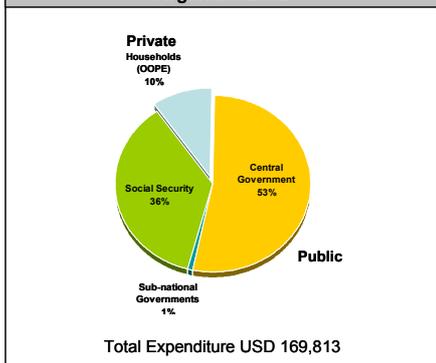
Methodology

This analysis used the NAA approach, as described on page 3. NAA have been estimated in two rounds: in 1999–2000 and in 2001–2002.

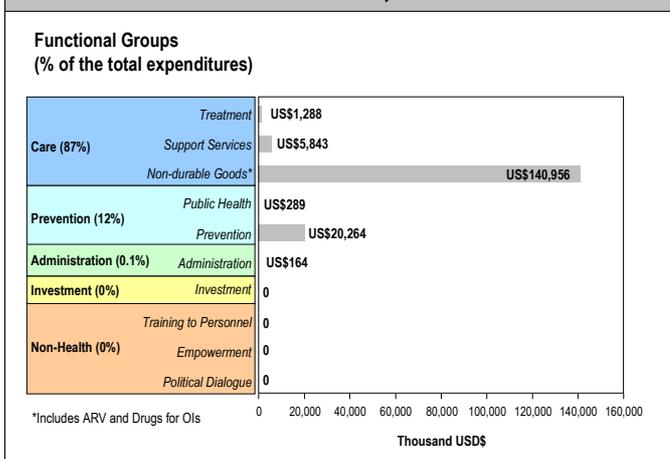
Key Findings

Public-sector spending on HIV and AIDS rose 12% during 1997–2002; private spending declined by 59% in the same period. Virtually no external resources supported AIDS activities 1999–2002. (NAA estimates classified a World Bank loan as domestic public sector resources as the loan is reimbursable at market interest rates). The contribution of total expenditures by sub-national governments and Social Security grew by US\$ 44.3 million 1999–2002.

**Distribution of National HIV/AIDS Expenditure
By Source and Total Expenditure in USD
Argentina 2002**



**HIV/AIDS Expenditures by Function
ARGENTINA, 2002**



Policy Implications/Recommendations

National professionals require additional training in tracking and analyzing HIV and AIDS expenditures.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV and AIDS

Funding the Fight against AIDS in Belize National AIDS Accounts (1999–2003)

Belize

Total Population	231,000
Adult HIV Prevalence	2%
HIV/AIDS infected adults and children	2,500
Life Expectancy at Birth	71.7 years

* 2001 Data

Belize is experiencing a rapidly growing, generalized epidemic. The country's HIV/AIDS Action Plan, developed early in 2001, integrates institutional plans from all members of the National AIDS Commission. The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) has approved a two-year project for Belize with funding of US\$ 1 298 884 to support the country's multisectoral response, and initiation of the project is anticipated in the near future.

Objective

The National Aids Account (NAA) seeks to estimate financing and expenditures on HIV and AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

This analysis used the NAA approach, as described on page 3. NAA have been estimated in two rounds: in 1999–2002 and in 2003.

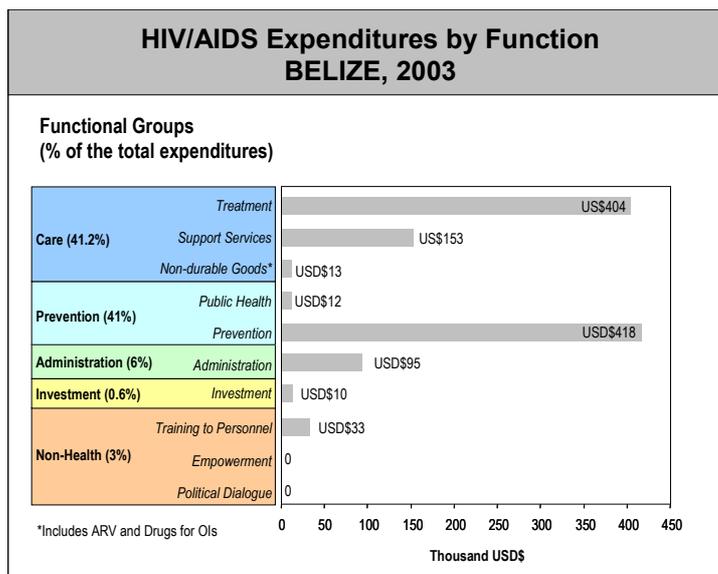
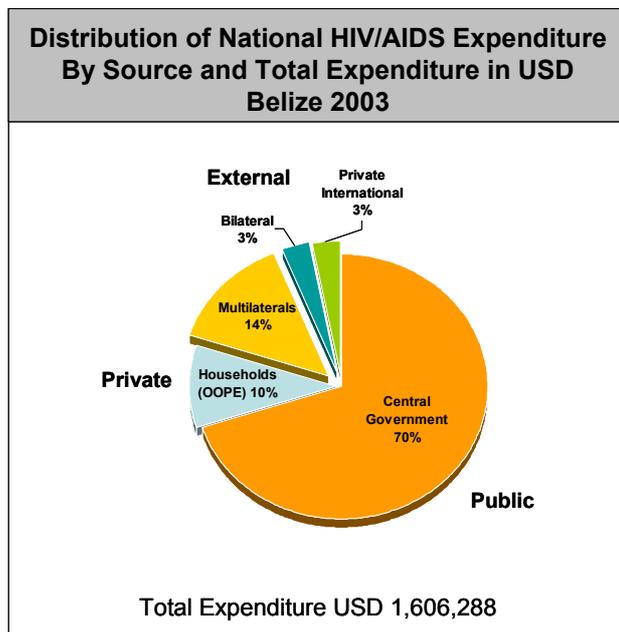
Key Findings

Total national AIDS estimated expenditures amounted to US\$ 767 000 in 2000; US\$ 1.1 million in 2001; and US\$ 1.2 million in 2002. Public sector financing grew by 63% during 1999–2000, from US\$ 309 000 to US\$ 500, 00 in 2002. Private spending increased by 10% in the same period (US\$ 309 000 to US\$ 341 000). External funds rose by 182%, from US\$ 69, 00 in 1999 to US\$ 278 000 in 2002, primarily as a result of funding from United Nations system organizations and bilateral contributions from Japan, United Kingdom, and the USA.

In 2003, total expenditures on AIDS amounted to US\$ 1.6 million; the public sector accounted for 70 % of such funding, external sources for 19.8 %, and private spending for 10.2 %. The uses of these funds were mainly for care and treatment (41.2%), public-health programmes, epidemiologic surveillance, and HIV prevention (36%), and non-health or health related activities (23%).

Purchase of antiretroviral drugs accounted for only 5.5% of the total, with remaining health spending focusing on hospitalization and treatment of opportunistic infections.

Prevention services include the provision of condoms, which amounted to 5.9% of the total expenditure, and diagnosis and treatment of sexually transmitted infections was almost 22% of the total expenditures.



Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS

Funding the Fight against AIDS in Bolivia National AIDS Accounts (1999–2002)

Bolivia

Total Population	8.5 million
Adult HIV Prevalence	0.1%
HIV/AIDS infected adults and children	4,600
Life Expectancy at Birth	63.3 years

* 2001 Data

Bolivia has among the lowest HIV prevalence in the Andean Region. The least developed country in the region, Bolivia is surrounded by countries with much higher infection rates, such as Argentina, Brazil, Colombia and Peru. Bolivia has an important window of opportunity to stabilize the epidemic in its early stages and prevent a significant increase in infection rates. Bolivia's large indigenous population, with high levels of illiteracy, requires specific strategies and creative approaches to prevention.

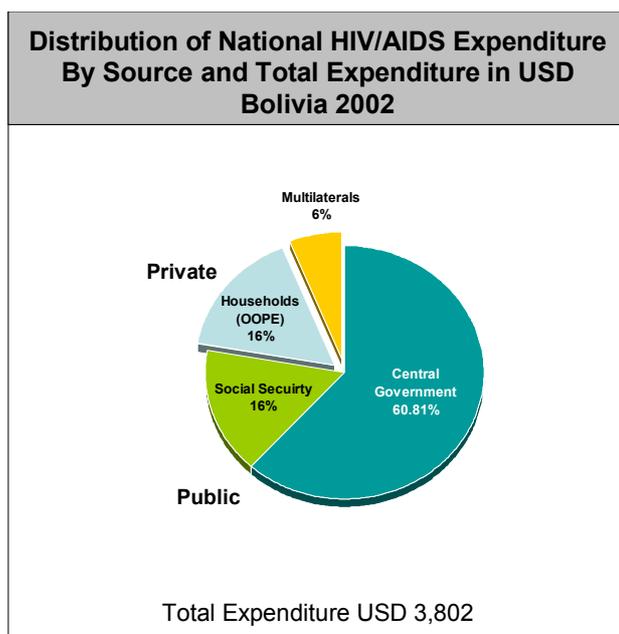
The government has expressed strong commitment to confront the epidemic in a multisectoral manner. It has called on civil society organizations, the armed forces and police, academic institutions, the private sector, and others to work together to stop the epidemic. Bolivia has committed to protecting the human rights of people affected by and infected with HIV, and to the provision of universal access to care and treatment; it is currently working towards ensuring universal access to antiretroviral drugs. Bolivia has succeeded in mobilizing financial support from the international community, with external sources accounting for a substantial proportion of its AIDS spending. Brazil currently donates antiretroviral drugs, which are provided to people living with HIV and AIDS in Bolivia at no cost.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, to strengthen national capacity to monitor resource flows on AIDS, and to accelerate progress towards the development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

This analysis used the NAA approach, as described on page 3. NAA have been estimated in two rounds: in 1999–2000 and in 2001–2002. Continued work is needed to train national professionals in AIDS budget monitoring and analysis.



Key Findings

Approximately US\$ 3.8 million was spent annually on AIDS activities in 1999–2002. In 2002, external sources contributed roughly one half (48.5%) of AIDS spending, followed by private spending (28%) and the public sector (23.5 %). Public-sector spending on AIDS doubled between 1999 and 2002.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS

Funding the Fight against AIDS in Brazil National AIDS Accounts (1997–2000)

Brazil

Total Population	173 million
Adult HIV Prevalence	0.7%
HIV/AIDS infected adults and children	610,000
Life Expectancy at Birth	67.8 years

* 2001 Data

South America's most populous country, Brazil is both blessed with immense human and natural resources and struggling with vast income disparities. The country also confronts an especially high debt burden (public debt to Gross Domestic Product ratio of 57%).

Brazil's response to AIDS has benefited from consistently strong political support from the highest level of government and multisectoral collaboration. This is reflected in implementation of sound regulatory policies, as well as strong and ongoing allocation of significant financial resources at national, state and local levels. National law guarantees universal access to care (including antiretroviral drugs). More than 135 000 people presently receive free antiretroviral treatment through the public sector. National antiretroviral access is facilitated, in part by manufacture of generic antiretroviral drugs by several publicly-owned companies.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Brazil was one of the first four countries to develop NAA. The experience from this country along with three others in 1997–1998, helped to standardize the NAA framework and enabled the application of the methods in almost all Latin American and Caribbean (LAC) countries. The national policy of universal access to antiretrovirals and the strong prevention programmes in the country demanded accurate estimates of total expenditures. The unique Unified Health System also demands strategic information related to the composition of the public/private mix of sources of funds.

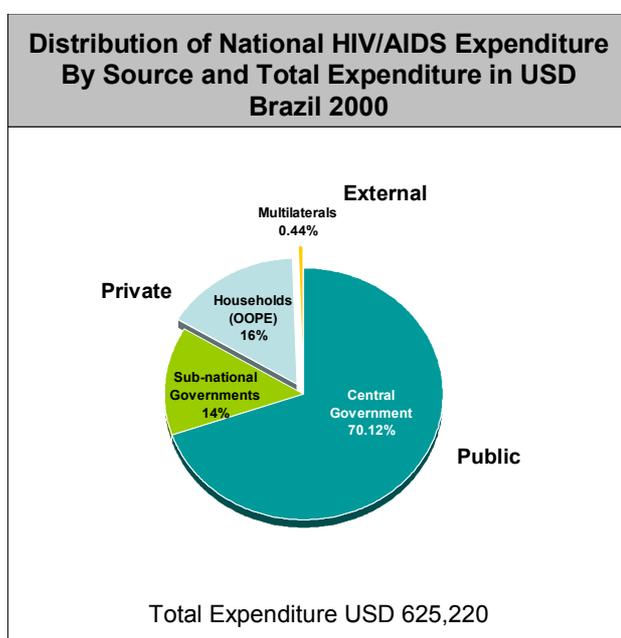
Methodology

This analysis used the NAA approach, as described on page 3. NAA estimates were made in two rounds: in 1997–1998 as a pilot project with the Regional AIDS Initiative for Latin America and the Caribbean’s (SIDALAC) assistance, and in 1999–2000. The last available estimates are from 2000.

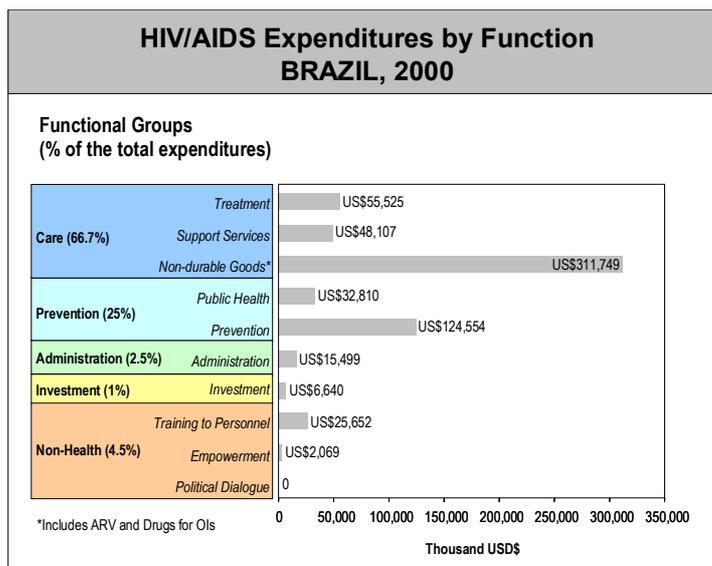
Brazil was one of the first countries to develop NAA. Brazil’s experience in 1997–1998 contributed to standardization of the NAA for application in almost all LAC countries.

Key Findings

In 2000, total AIDS expenditures amounted to US\$ 625 million. The national government accounted for 70% of expenditures, followed by household spending (16%), sub-national governments (14%) and finally multilateral support (0.44%). External resources provided approximately US\$ 5 million. Spending on care and treatment substantially exceeds expenditures for prevention activities.



Between 1999 and 2000, AIDS spending declined by 16%, primarily due to a decline in per-patient treatment costs. (The number of patients receiving care and antiretroviral treatment grew from 73 000 in 1999 to 87 500 in 2002). In 2000, private sector expenditures on HIV and AIDS increased by 45%.



Policy Implications/Recommendations

The first results of the NAA were very useful for the planning of country-level actions, and revealed a number of facts that were not known before these results were made public, for instance, the share of the resources that originated from the World Bank were less than 16% of the total expenditures.

In addition, the fact that the NAA methodologies try to estimate private and decentralized expenditure, stressed the importance of these pieces of information as relevant for assessing the National Response to AIDS. However, there is still need to emphasize the importance of not limiting resource tracking to the Federal Expenditures, as relevant as these are.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS.

Funding the Fight against AIDS in Burkina Faso National AIDS Budget Analysis (2003)

Burkina Faso

Total Population	11.9 million
Adult HIV Prevalence	6.5%
HIV/AIDS infected adults and children	440,000
Life Expectancy at Birth	45.8 years

* 2001 Data

Burkina Faso is one of the poorest countries in the world, with approximately 90% of the population engaged in subsistence agriculture. Gross Domestic Product (GDP) per capita is US\$ 540, of which 6% is dedicated to health. There are currently 1200 people in Burkina Faso receiving antiretroviral (ARV) treatment.

Objectives

Burkina Faso does not have National Health Accounts (NHA), and there was no prior comprehensive information on AIDS expenditures in the country. The main objectives of the study are to estimate national flows of financing and expenditure on AIDS, facilitate the strengthening/building of national capacity to track and analyse AIDS budgets, and move from cross-sectional studies to a continuous information system. The National AIDS Account (NAA) describes financial flows identifying mechanisms through which payments are made and determining the beneficiaries of goods and services.

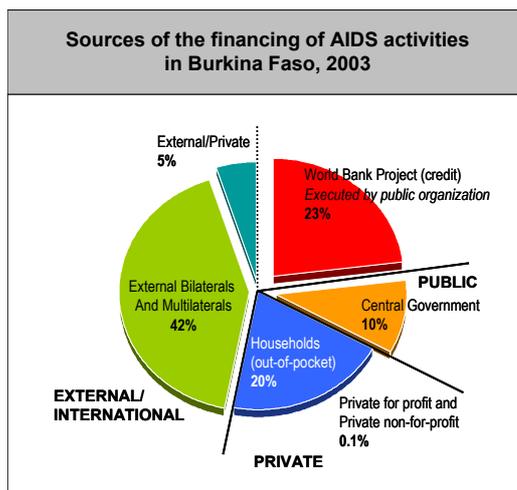
Methodology

This analysis used the NAA approach, as described on page 3. NAA have been estimated in two rounds: in 1999–2002 and in 2003.

Key findings

The total AIDS expenditures in 2003 amounted to US\$ 24.3 million or US\$ 2.00 per capita, representing 0.6% of the GDP and 6.1% of the public spending on health. Adjusting for Purchasing Power Parity (PPP), the annual expenditure was PPP US\$ 10.10 per capita.

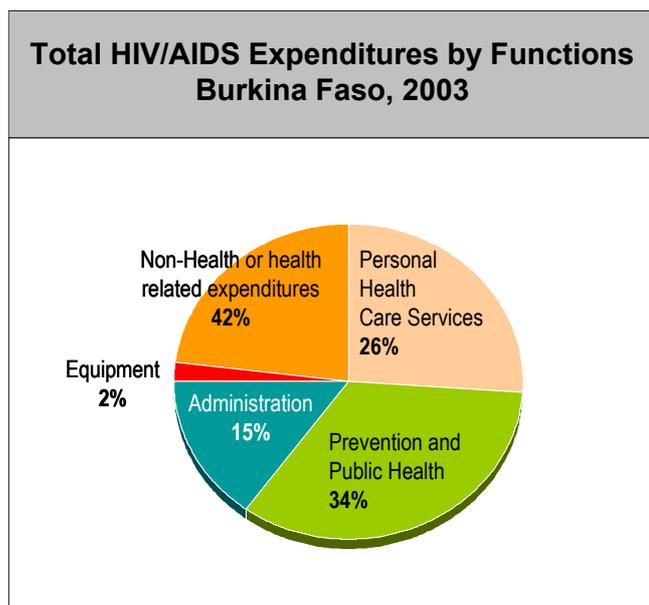
The response to AIDS in Burkina Faso is highly dependent on international resources, which account for 78% of total expenditures, primarily from bilateral donors (68% of the total). Credits by the World Bank account for the largest part (77%) of publicly spent resources, or 25.6% of total spending. Households contribute 14.3% of the total expenditure on AIDS and 98.3% of private expenditure. Out-of-pocket spending (US\$ 3.4 million) is almost double the amount of government expenditures (US\$ 1.9 million) and is used primarily for the services of traditional healers (70%) and purchasing pharmaceuticals (29%).



Most of the total AIDS expenditures were spent on public health (34% of the total), followed by personal health care services (26%), non-health expenditures (23%), administration (15%) and equipment (2%). The low expenditure on care is explained by the low coverage of services and provision of antiretroviral drugs. The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) project anticipates providing 3500 people living with HIV and AIDS (PLWHA) with antiretroviral drugs in the coming years.

About 98% of the US\$ 8.3 million spent on public health programmes supported information/education/communication activities, with a small amount (2%) allocated to epidemiologic surveillance. Prevention spending totalled US\$ 1.45 million, 81% of which supported the purchase of condoms; 7% for blood-safety measures; 7% for programmes to prevent mother-to-child transmission, and 5% for syndromic treatment of sexually transmitted infections. Preventive functions were financed primarily by external sources: 52% by bilaterals and 14% by multilaterals; with the remaining funds obtained from households.

Spending on non-health and health-related activities equaled US\$ 5.6 million or 23% of the total AIDS expenditure. Such activities included administration and the provision of in-kind support to PLWHA (US\$ 2.9 million or 12.1% of the total) including psychosocial support and support to orphans; organization and empowerment of civil society bodies 7.0%; personnel training 1.8%; research and development 1.7%.



Policy Implications/Recommendation

National authorities now have a policy tool to monitor the implementation of the National Strategic Plan and the GFATM funded project and to assess additionality of new funding. They also have the baseline information to coordinate international resources from different actors even in the absence of NHA. The challenge is to initiate and sustain a continuous information system for policy formulation at the country level with annual updates.

Key words:

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS.

Funding the Fight against AIDS in Chile National AIDS Accounts (1997–2002)

Chile

Total Population	15 million
Adult HIV Prevalence	0.3%
HIV/AIDS infected adults and children	20,000
Life Expectancy at Birth	75.8 years

* 2001 Data

Roughly one in five Chileans live in poverty. The country has an incipient AIDS epidemic but also a strong national response led by the health sector. This response, however, is still insufficient and is limited by internal financial factors, including the overall low levels of national expenditures on health (public health expenditures are only 2.3% of Gross National Product). The conservative sociocultural environment in the country frequently hinders implementation of proven prevention strategies. Despite these challenges, growing social mobilization and leadership from civil society are helping to strengthen the national response.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

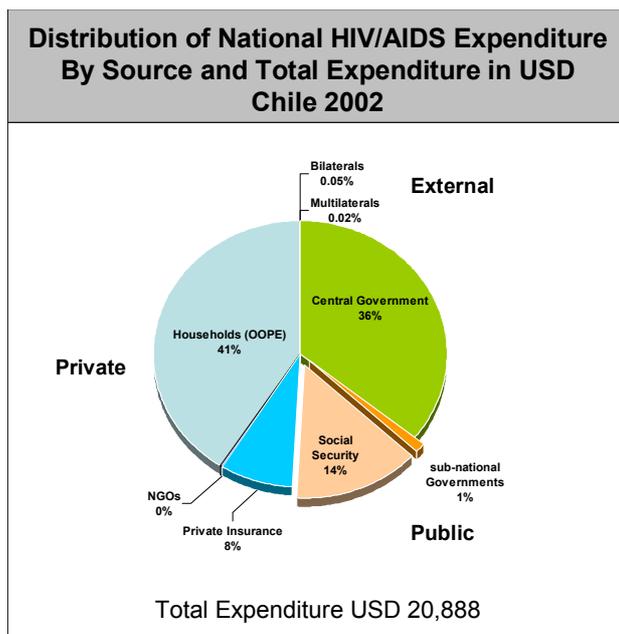
Methodology

This analysis used the NAA approach, as described on page 3. There have been three periods for which NAA were estimated: 1) between 1999–2000 as part of the sponsorship from SIDALAC where training of national professionals was conducted; 2) in 2001–2002, as oversight of the project was transferred to the NAP; and 3) in 2003, when the country independently executed the NAA.

Chile has invested its own resources to continue with the estimation of NAA. The most recent available estimates are from 2002, although results for 2003 are expected in September 2004.

Key Findings

AIDS financial resources in Chile have decreased 24%, from US\$ 28.5 million in 1999 to US\$ 20.9 million in 2002. In part, these financial trends reported in US\$ stem from the 26% devaluation of the Chilean peso that occurred during this period. In terms of the national currency, AIDS expenditures of the central government decreased more modestly, from 233 319 Chilean pesos in 1999 to 212 337 in 2002.



Household expenditures accounted for the greatest share of total AIDS spending (41%), followed closely by allocations from the central government (36%). Overall, total public and private expenditure were almost equal at 51% and 49% respectively. The majority of AIDS expenditure supported care and treatment services (70%), followed by prevention (32%) and other items, such as administration, investment and non-health related activities (i.e., training personnel, empowerment and political dialogue).

Chile has received a grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), with disbursement beginning in 2003. Over five years, the grant is expected to provide US\$ 38 million (with US\$ 14 million approved for the first two years and US\$ 6 million having been disbursed). There is no indication that the GFATM grant is prompting central government to reduce its independent allocations for HIV and AIDS programmes.

Policy Implications/Recommendations

The findings about Chile highlight both significant national achievements and outstanding challenges. Due to the combination of increases in public sector spending between 1999 and 2000 and significant declines in the price of antiretroviral drugs, the country has significantly increased treatment coverage and reduced the financial burden of treatment on affected households. At the same time, the NAA analysis indicates that Chile is among the four countries with the lowest AIDS expenditure in the region (with only Mexico, Guatemala and Bolivia having lower spending levels).

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS

Funding the Fight against AIDS in Colombia National AIDS Accounts (1999–2002)

Colombia

Total Population	43 million
Adult HIV Prevalence	0.4%
HIV/AIDS infected adults and children	140,000
Life Expectancy at Birth	71.8 years

* 2001 Data

More than 70% of Colombia's population lives in urban areas, and 20% live in extreme poverty. Of adults 10% are illiterate, while 18% of children between the ages of 11–15 drop out of school. Unemployment is estimated at 22%.

An intersectoral strategic plan on HIV and AIDS was developed in 1999. During the same year, and as a result of the health-sector reform process, the National AIDS Programme at the Ministry of Health (MoH) was replaced by a "functional working group", which dealt with all communicable diseases. This change has effectively reduced the amount of resources available at the MoH for the national response to AIDS. Civil society and regional public health bodies currently play an important role in the implementation of the national plan. There is a strong need to strengthen the governmental response to AIDS, as well as to reduce the costs of HIV treatment and to expand access to care.

Objective

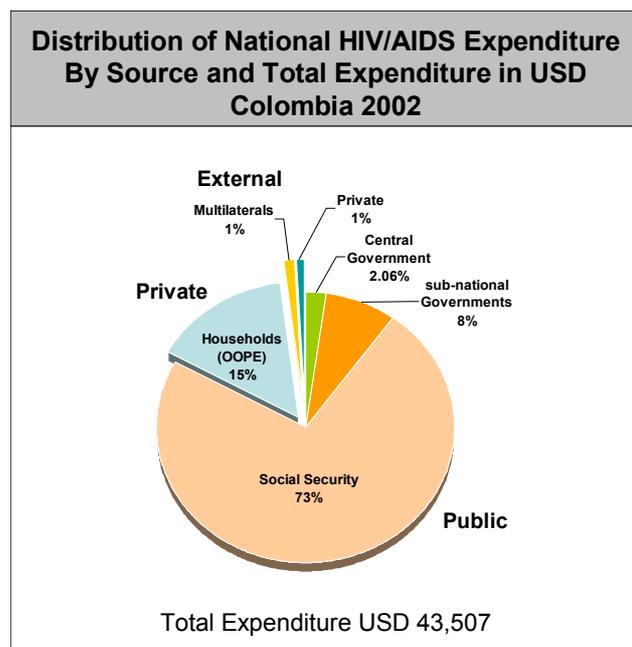
The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

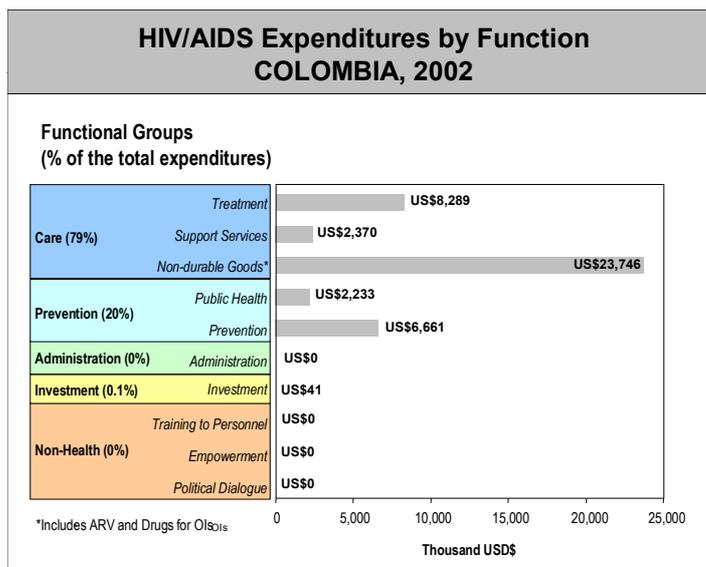
This analysis used the NAA approach, as described on page 3. NAA were estimated in two separate rounds: in 1999–2000 through sponsorship by the Regional AIDS Initiative for Latin America and the Caribbean (SIDALAC), and in 2001–2002, when the NAP began to assume oversight of the project. The last available estimates are from 2002.

Key Findings

In 2002, spending from all sources on AIDS totalled US\$ 43.5 million, with the public sector accounting for 83% of the total expenditure. Household spending accounts for the bulk of private expenditures, which collectively represent 16% of national AIDS spending. External resources for AIDS programmes are minimal (US\$ 464 000 in 1999 and US\$ 785 000 in 2002). Care and treatment accounted for approximately 79% of AIDS expenditures, with prevention programmes representing 20% of national spending. Most AIDS spending supports the provision of health-care services.



Between 1999 and 2002, public sector spending on AIDS declined by 17%, while private expenditures grew by 13%. These trends may be explained by the public sector's success in obtaining favorable pricing for antiretroviral drugs and increased coverage of AIDS treatment by private insurers.



The NAA are of great importance to Colombia, mainly because of two main factors: the burden in its economy to pay for antiretroviral drugs, and the intensive Health Reform Process that has been ongoing in the country for the past few years. Results of the NAAs are useful by placing in the international context the Colombian response to HIV and AIDS at the same time than providing the sufficient information to compare internally the process of competition of funds across all the health needs and the health system to respond to all of them.

Key words National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS

Funding the Fight against AIDS in Costa Rica National AIDS Budget Analysis (1999–2003)

Costa Rica

Total Population	4.1 million
Adult HIV Prevalence	0.6%
HIV/AIDS infected adults and children	11,000
Life Expectancy at Birth	77.9 years

* 2001 Data

Costa Rica is the most developed country in Central America, ranking 48th in the UNDP Human Development Index (1998). It has an adult literacy rate of 95.3%, a life expectancy of 76 years, and an urbanization level of more than 50%. The Ministry of Health (MoH) leads the national response to HIV and AIDS through the National AIDS Commission, which was established in 1998. The mobilization of funds to combat AIDS is one of the country's biggest challenges. Mandated by a court decision of 1997, Costa Rica is the only country in Central America to provide antiretroviral treatment to all patients through the Social Security system. In 2000, the country spent US\$ 8 million on antiretroviral treatment.

Objectives

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

This analysis used the NAA approach, as described on page 3. NAA have been estimated in two rounds: in 1999–2002 and in 2003. Estimates for 2003 are still preliminary and in need of validation.

funds for HIV and AIDS support 84% are for personal health care services; 14% are for prevention and public health activities.

Challenges remain in estimating AIDS expenditures in Costa Rica. For instance, improvements are needed in mechanisms for estimation of direct expenditures and beneficiaries. However, there is believed to be little direct spending by populations with the highest vulnerability and risk of HIV infection.

Policy Implications/Recommendations

Country officials recognize the usefulness of NAA results in improving resource allocation of available funds. It has been established that NAA is also an excellent tool to strengthen the role of the Health Sector given the characteristics of the Health Sector Reform Process in the country.

Key words

National AIDS Accounts, Flow of resources and expenditures on HIV/AIDS, Costa Rica, Resource Tracking of AIDS funding, out-of-pocket expenditure on AIDS, external aid for HIV/AIDS.

Funding the Fight against AIDS in El Salvador National AIDS Budget Analysis (1999–2003).

El Salvador

Total Population	6.1 million
Adult HIV Prevalence	1%
HIV/AIDS infected adults and children	24,000
Life Expectancy at Birth	70.1 years

* 2001 Data

This Central American country of more than 6.6 million people has a per capita Gross Domestic Product (GDP) of US\$ 2258. The per capita expenditure on health is US\$ 190.81, while the percentage of GDP spent on health is 3.9%. Total health expenditures comprise 8.45% of the GDP.

In 2003, there were 987 new HIV cases. Of those infected 65% are males. AIDS was the sixth leading cause of Hospital deaths in the country. In 2000, since the introduction of antiretroviral therapy, there were 1074 patients receiving antiretroviral drugs, 524 are served by the Ministry of Health and 550 by the social security institute; 101 are children, and 137 are pregnant women.

Objectives

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

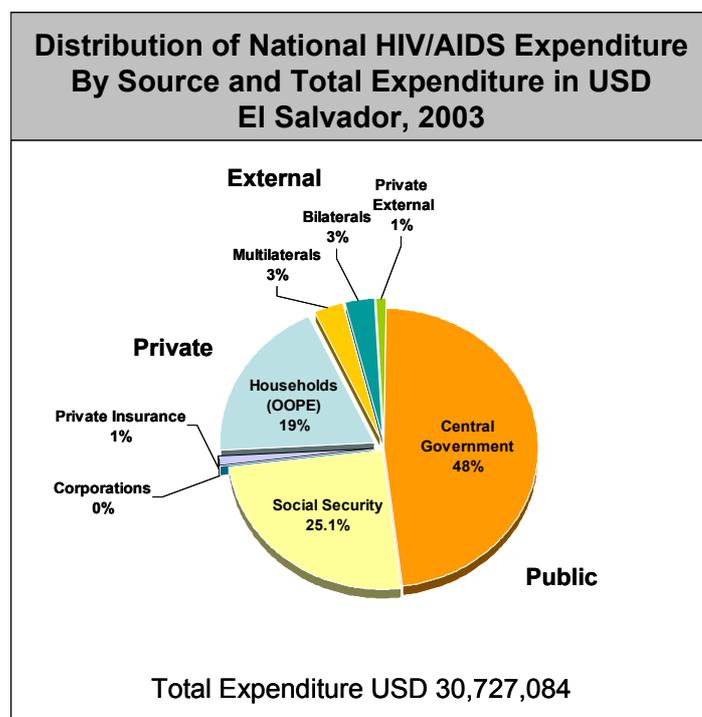
This analysis used the NAA approach, as described on page 3. NAA estimates were made in two rounds: in 1999–2002 and in 2003.

Since the initiation of the NAA in El Salvador with assistance from the Regional AIDS Initiative for Latin America and the Caribbean (SIDALAC), national counterparts, within government institutions, have been actively involved in conducting the subsequent estimates. Currently, the national capacities in El Salvador favour the institutionalization of the NAA.

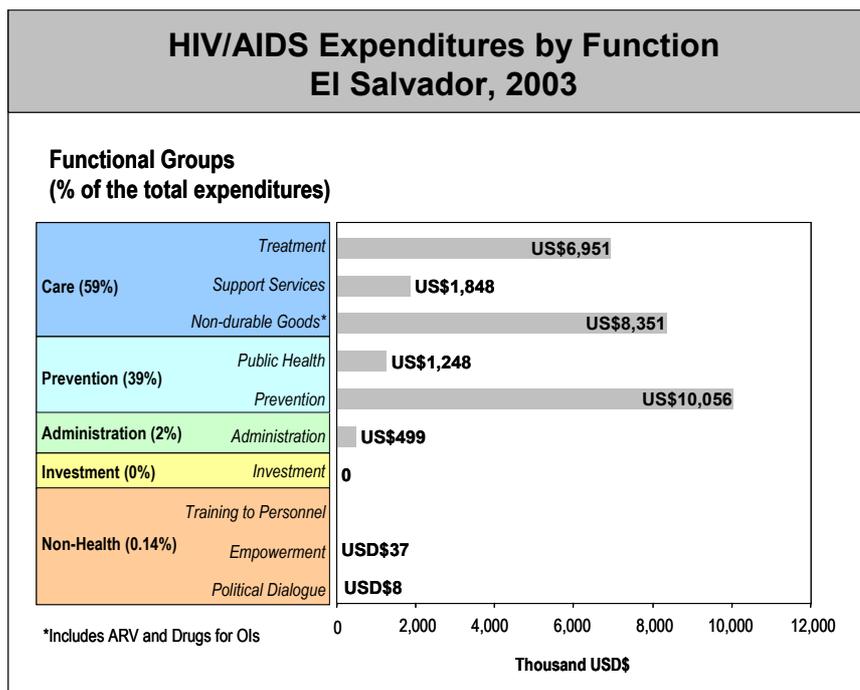
Key Findings

In 2000, total AIDS expenditure was US\$ 22.9 million, of which 73.8% was financed by the public sector, 18.6% by the private sector and 7.6% from international funds. The strengthening role of the public sector in responding to AIDS is demonstrated by the almost three fold increase in funding from 1999 (US\$ 5.8 million) to 2002 (US\$ 16.9 million). There was also an increase in public expenditure as a share of the total expenditure from 62% in 1999 to 73.7% in 2002. The total amount of private and external funds was US\$ 3.5 million in 1999, which grew to US\$ 6.0 million in 2002 (a 70% increase over four years). International funds for AIDS activities were US\$ 2.12, or 6.9% of the total expenditures.

By 2003, total AIDS expenditures had increased to US\$ 30 727 084 with a similar breakdown as noted in 2002; 73% from public funds, 20.7% from private sources and 6.6% from external sources. The Social Security sub-system constitutes one third of public expenditures, with the central government providing the remainder. Expenditures from bilateral organizations constitute one half of the total external expenditures.



Most of the AIDS expenditures (55.4%) are dedicated to personal health care services. Public health and prevention (38.4%) and non-health or health related activities (6.2%) comprise the remaining portion. The highest expenditures were for diagnosis and treatment of sexually transmitted infections (19.7%), and condom supply (12.2%). Between 2002 and 2003, personal health care services grew by 30.2%, while public health and prevention expenditures increased by 22.5%. Initiation of a mass-testing programme for pregnant women for prevention of mother-to-child transmission accounted for the large increase in prevention spending



The non-health or health-related expenditures include empowerment, advocacy and political dialogue (mainly executed by nongovernmental organizations); in-kind and monetary benefits to people living with HIV and AIDS, and training of personnel. These expenditures showed the largest increase (150%) of all programme expenditures between 2002 and 2003.

Key words

National AIDS Accounts, Flow of resources and expenditures on HIV/AIDS, El Salvador, Resource Tracking of AIDS funding, out-of-pocket expenditure on AIDS, External aid for HIV/AIDS.

Funding the Fight against AIDS in Ghana National AIDS Budget Analysis (2002–2003)

Ghana

Total Population	19.7 million
Adult HIV Prevalence	3%
HIV/AIDS infected adults and children	360,000
Life Expectancy at Birth	57.7 years

* 2001 Data

Ghana's Gross Domestic Product per capita (US\$ 2250, adjusted by Purchasing Parity Power) is roughly twice that of the poorest countries in West Africa. Only 1000 people receive antiretroviral treatments at four major hospitals, which administer drugs that are heavily subsidized by the government, e.g., the recovery cost from patients is US\$ 6 per month for treatment of each person and US\$ 25 for CD4 cell counts. A multisectoral team developed the National Strategic Framework (NSF) 2001–2005, which covers 44 districts and has an estimated cost of US\$ 114.5 million. In 2002, the Ghana AIDS Commission became operational; one year later, financing became available from the Global Fund to Fight AIDS, Tuberculosis and Malaria, primarily to support capacity building, training and contracting staff.

Objective

The NAA seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

This analysis used the NAA approach, as described on page 3. NAA have been estimated in two rounds: in 1999–2002 and in 2003.

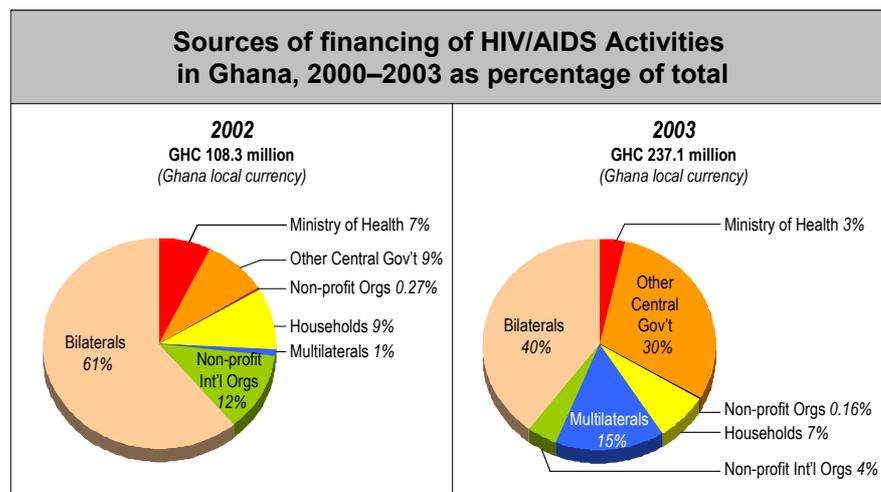
Key Findings

In 2003, total AIDS expenditures amount to US\$ 27.6 million, US\$ 1.33 per capita (PPP-US\$ 11.90), or 0.47% of the GDP. Measured in the national currency, expenditures more than doubled in 2003 compared to the previous year. Taking account of inflation, AIDS spending increased 97% in the national currency and 79% in US\$.

The estimated cost of implementing the National Strategic Framework for five years is similar to the 2003 expenditures based on an annual average. However, the resource allocation for current activities follows a significantly different distribution than those specified in the NSF.

Public resources to combat AIDS—excluding a loan from the World Bank—remain quite low. In 2002 and 2003, some of the most important externally-funded AIDS projects ended, although the MAP/IDA/World Bank loan and the Global Fund grant

compensated for this loss in external financing and help increase the availability of funds in the country.



In 2002, external sources accounted for roughly three quarters of total AIDS expenditures (excluding the World Bank loan, which, if included, would bring the total of external financing to approximately 80% of all HIV-related spending). In 2003, the second disbursement of the World Bank loan produced an increment of 568% (in US\$), and represented about 30% of the total expenditures on its own for that year. The first year of implementation of the Global Fund funded project was not accompanied by a decrease in financial commitments from all other sources, thus implying that these resources were additional to the already available resources for AIDS in Ghana.

Private sources, mainly from households (out-of-pocket), represent a small share of total expenditures. However, the out-of-pocket expenditures in Ghana may not have been sufficiently captured by this analysis, mainly due to the lack of information on fee-coverage from traditional healers.

AIDS expenditures in Ghana primarily support information/education/communication interventions for young people and children. The increase of resources from external sources allowed for an enhanced response to AIDS outside the health sector (e.g., support to organization and empowerment, including income-generating projects, of people living with HIV and AIDS). However, the current level of funding for health sector investments appears inadequate to create sufficient capacity to bring key services to scale.

Policy Implications/Recommendations

Results derived from the NAA were highlighted in a presentation to representatives of the Ghana AIDS Commission, the NACP, the Ministry of Finance and UNFPA (currently the chairman of the UN Theme Group in Ghana) to ensure validation and secure ownership. A presentation was also made to a wider audience of stakeholders from the private sector, nongovernmental organizations, other governmental and foreign agencies. Many of the participants began to use the results for accountability of NSP implementation and for advocacy purposes.

Key words

National AIDS Accounts, Flow of resources and expenditures on HIV/AIDS, Ghana, Resource Tracking of AIDS funding, out-of-pocket expenditure on AIDS, External aid for HIV/AIDS.

Funding the Fight against AIDS in Guatemala National AIDS Accounts (2000–2001 to 2003–2004)

Guatemala

Total Population	12 million
Adult HIV Prevalence	1%
HIV/AIDS infected adults and children	67,000
Life Expectancy at Birth	65.3 years

* 2001 Data

More than 60% of Guatemala's population belongs to indigenous ethnic groups, and approximately 40% live in urban areas. Literacy rates are 60% for women and 75.6% for men. Guatemala is rich in cultural diversity; the official language is Spanish, but there are 23 different indigenous languages spoken.

Evidence indicates the country's AIDS epidemic is accelerating. From 1984–2002, the country reported 4401 AIDS cases, although it is believed that official reports capture fewer than 50% of actual cases. Sexual transmission is the predominant mode of transmission (93.8%). The epidemic is concentrated among commercial sex workers and men who have sex with men. The country developed a four-year National Strategic Plan (1999–2003), which is coordinated by the National AIDS Programme and other international organizations.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Guatemala was one of the first four countries to develop NAA. Guatemala's experience in 1997–1998 contributed to standardization of the NAA for application in almost all Latin American and Caribbean (LAC) countries. The original participant from Guatemala's NAA is an economist outside the Ministry of Health, who later became part of the technical cooperation group supporting NAA in other countries.

Methodology

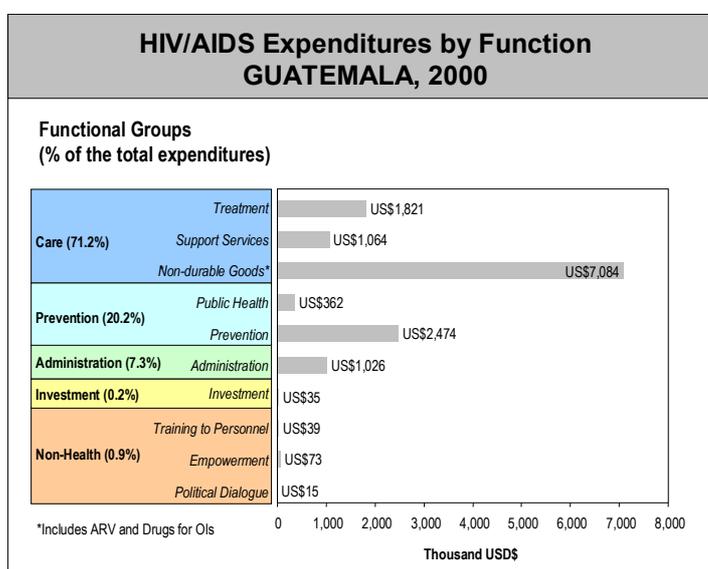
This analysis used the NAA approach, as described on page 3. After the initial pilot project for 1997–1998, there was a simultaneous request from the (then) recently appointed national authorities and an offer from the Regional AIDS Initiative for Latin America and the Caribbean (SIDALAC), to train national professionals to conduct the NAA in the NAP. SIDALAC supported NAA estimates in 1999–2000. Estimates for 2001–2002 are currently being developed.

There is still a need to support the institutionalization of NAA in the country. The last available estimates are from 2000, however, it is expected that in 2004, there will be estimates available of NAA for 2001, 2002, and 2003. The change of national

authorities and professionals within the NAP requires an intensification and repetition of technical cooperation to strengthen national capacities for this endeavour.

Key Findings

Total spending on AIDS in 2000 amounted to an estimated US\$ 14.1 million (including public, private out-of-pocket, and external sources). Provision of care through the social security system represents the single most significant spending item, although spending over current levels must increase to allow Guatemala to increase its antiretroviral coverage. AIDS expenditures in 2000 represent a 39.1% increase over 1999. The public sector provided 71% of AIDS funds in 2000 (Social Security 61%, Central Government 10%), private expenditure 17% (15% out-of-pocket and 2% from private businesses); and the external sector almost 10%. Care and treatment account for 71.2% of HIV and AIDS expenditures in 2000, compared to 20.2% for prevention. The purchase of antiretroviral drugs alone accounts for more than 60% of the total AIDS-related expenditure. Total cost estimates for the operational plan 2003 are under development.



Policy Implications/Recommendation

The 1997–2000 NAA results were used by a national NGO for advocacy purposes. When results were presented to the previous National Authorities, data indicates that Guatemala invests less than similar countries in the region, leading the Government to increase its financial commitments for AIDS.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS.

Funding the Fight against AIDS in Guyana National AIDS Accounts (1999–2002)

Guyana

Total Population	763,000
Adult HIV Prevalence	2.7%
HIV/AIDS infected adults and children	18,000
Life Expectancy at Birth	63.3 years

* 2001 Data

Guyana has a generalized epidemic, with those aged 19–35-years-old accounting for three quarters of all HIV infections. Some studies suggest current estimates may underestimate the actual prevalence of HIV, although all such efforts are hindered by a lack of reliable data. Heterosexual transmission is the primary source of infection, with especially high and increasing rates reported among vulnerable populations, particularly sex workers and sexually transmitted infection clinic patients.

The Government increasingly recognizes AIDS as a national problem of growing magnitude. Political commitment for action is increasing, particularly following Guyana's participation at the 2001 UN General Assembly Special Session on HIV/AIDS. The level of involvement of sectors other than health in the response to AIDS is intensifying, and the geographic coverage of key interventions is starting to extend beyond the capital into other subregions. In 2001, the Government finalized its Poverty Reduction Strategy Paper under the enhanced Debt Initiative for Heavily Indebted Poor Countries (HIPIC) initiative for submission to the IMF and the World Bank.

Objective

The NAA seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

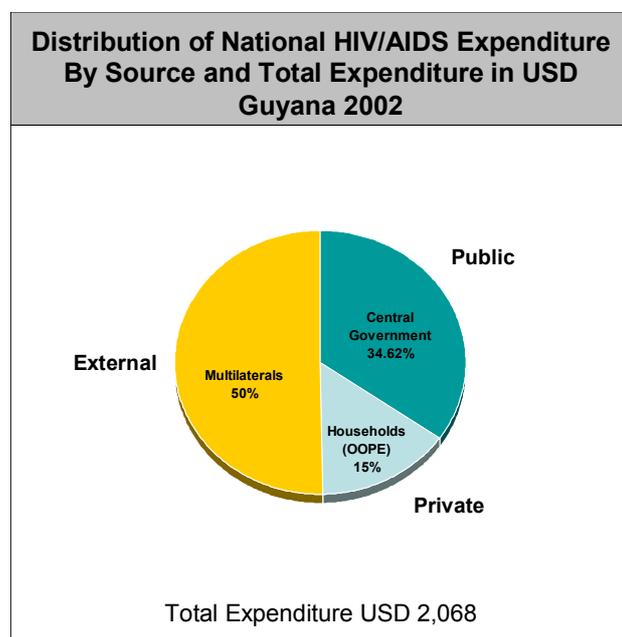
Methodology

This analysis used the NAA approach, as described on page 3. The last available estimates are from 2002.

Key Findings

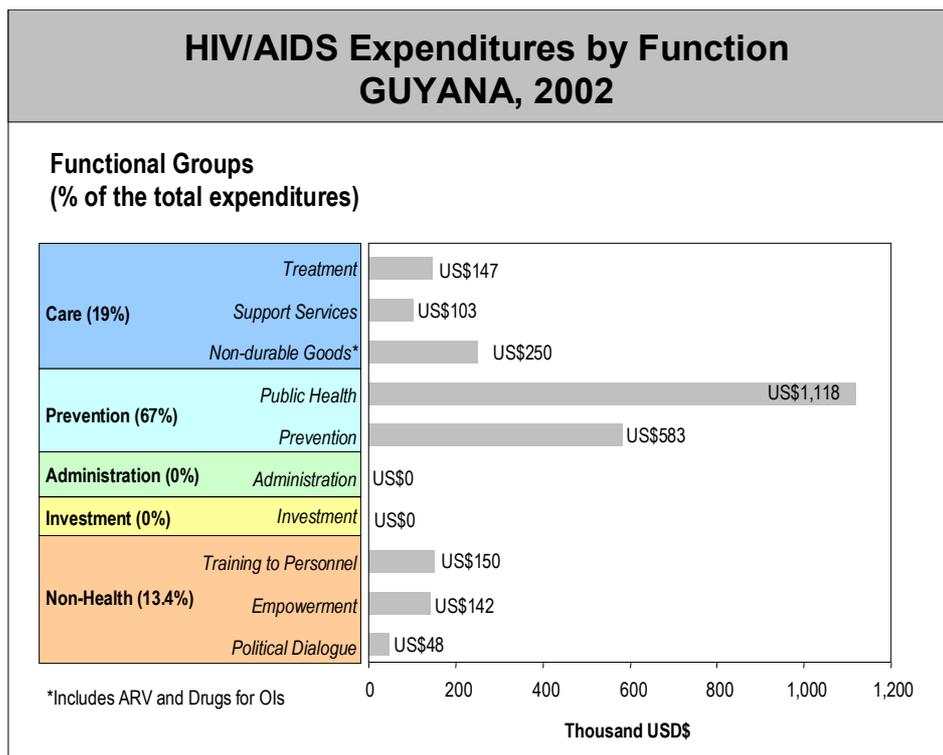
AIDS expenditures in Guyana have increased four fold in recent years, from US\$ 500 000 in 1999 to US\$ 2 million in 2002. Increasing public concern, enhanced external financial support, and expansion of nongovernmental organization programme activities have contributed to this increase in funding. Although AIDS remains highly stigmatized, the growing visibility of the national AIDS response, including among nongovernmental organizations, appears to be contributing to the empowerment of people living with HIV and AIDS.

In 2002, 50% of the AIDS expenditure originated from external sources while 35% came from central government. Although external financial AIDS assistance was virtually non-existent in 1999 (US\$ 23 000), such support surpassed US\$ 1 million in 2002, representing a major source of total AIDS financing (49.7%).



In 2002, public resources (US\$ 716 000) represented 34.8% of total AIDS financing, compared to nearly 66% in 1999. Private resources in 2002 (US\$ 319 000) increased by 115% since 1999, with household spending on health services and condoms accounting for most such funding.

In contrast to most countries in the Latin America and Caribbean (LAC) region, where expenditures on care and treatment typically outstrip spending on prevention services, 54% of spending in Guyana was allocated in 2002 to Public Health and Prevention, with care and treatment consuming 24% of AIDS spending. Information/education/communications programmes and purchases of condoms represented the largest expenditure items for public health and prevention services. Personal health services represent the most prominent item for care and treatment expenditures, with the public sector providing most such services.



Policy Implications/Recommendations

NAA in Guyana set one of the first steps into having a detailed description of the need for support of the National Strategic Plan, and led the way into the comparison between the Plan and the existing pattern of expenditure. It is of the utmost importance that in countries like Guyana where the information is difficult to obtain and the human resources are scarce, to have a country plan to institutionalize the continuous information systems acutely needed for adequate planning and conduction of the National Plans from the government itself.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS.

Funding the Fight against AIDS in Honduras National AIDS Accounts (2000-2001 to 2003-2004)

Honduras

Total Population	6.6 million
Adult HIV Prevalence	1.6%
HIV/AIDS infected adults and children	57,000
Life Expectancy at Birth	68.8 years

* 2001 Data

Honduras has been described as one of the most severely affected countries in Central America. For some time, the international community has channeled financial and technical resources to help curb the HIV and STI epidemics; even this was one of the first projects to be executed using funds from the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM).

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

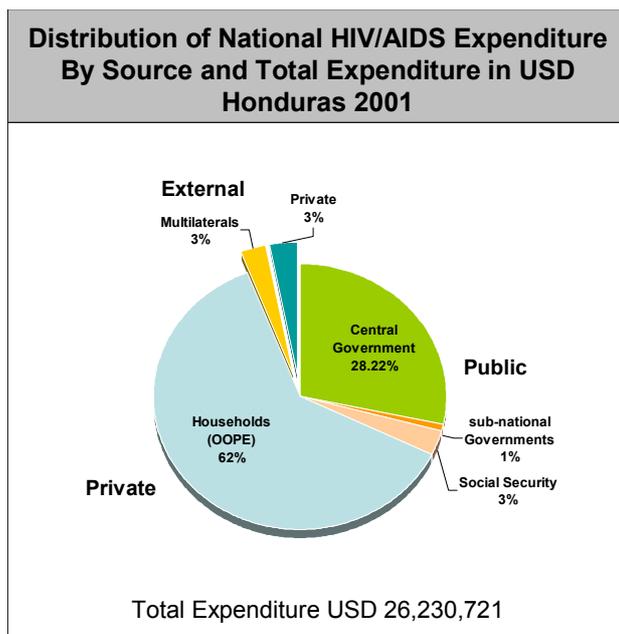
Methodology

This analysis used the NAA approach, as described on page 3. NAA were estimated in two separate rounds: in 1999–2000 through sponsorship by the Regional AIDS Initiative for Latin America and the Caribbean (SIDALAC), and in 2001–2002, when the NAP began to assume oversight of the project. The last available estimates are from 2002.

Key Findings

In 2001, AIDS expenditures amounted to US\$ 26 million, more than half of which was paid by household out-of-pocket expenditure (62%). The NAA analysis suggests that the epidemic has the potential to deepen poverty among the most economically vulnerable segments of the national population. In 1999, 2000, and 2001, spending on personal health services exceeded expenditures on public health and prevention activities. Spending from all sources (including public sector and out-of-pocket expenditures) on antiretroviral drugs in 2000 and 2001 was US\$ 9.5 million and US\$ 9.4 million respectively, representing 38% and 36% of the total expenditure on STI/HIV/AIDS.

Although a cost-benefit analysis undertaken in Honduras underscored the cost-effectiveness of interventions targeted at the most vulnerable populations, the NAA analysis indicates that external financing, while substantial, did not appear directed toward services for groups at highest risk. The GFATM is expected to increase the level of resources for AIDS in the country.



Results of the NAA for 2002 and 2003 will be available by the end of July, 2004. These results will help guide implementation of the GFATM project, as well as the National Strategic Plan.

Policy Implications/Recommendation

Even while there is a scarcity of human resources available within the National HIV/AIDS Programme to sustain newer information systems, there is a conviction to train the available professionals to strengthen the rector role of the Ministry of Health and the NAP, mainly because of the availability of more international resources and the increase of domestic expenditure mandates the use of policy tools like NAA to strengthen the coordination role of the government, both of domestic as well as international support activities.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS

Funding the Fight against HIV/AIDS in Kenya HIV/AIDS Sub-analysis Kenya

Kenya (sub-analysis)

Total Population	31.3 million
Adult HIV Prevalence	15.00%
HIV/AIDS infected adults and children	2.5 million
Life Expectancy at Birth	46.4 years

* 2001 Data

Kenya is a low-income country with Gross Domestic Product (GDP) per capita of US\$ 354 in 2002. The majority of employed persons (over 70%) are in the informal sector. Sixty-six percent of the population live in rural areas; most subsist on agricultural production.

The epidemic has had a significant impact on health status of the population, including a marked decline in life expectancy. In the early 1990s, life expectancy stood at 62 years. By 2002, it had dropped to 47 years.

The epidemic is generalized, with 52% of infected adults living in rural areas. This presents a challenge for delivering treatment and care to people living with HIV/AIDS.

The Kenyan economy experienced slow growth in the 1990s and worsening poverty indicators. About 56 %of the population was estimated to be living below the poverty line at the turn of the century.

Objective

The aim is to describe the flow of funds through the health system and address the following questions:

- how much is spent by public, private, and donor sources on HIV/AIDS services?
- to what extent are different HIV/AIDS interventions, such as prevention, treatment, opportunistic infections, and palliative care, being supported by these funds? and
- what is the level and equity of current resource flows?

Methodology

The National Health Accounts framework is an internationally accepted and implemented methodology that captures total health expenditure data from the public and private health sectors. The NHA framework has been adapted into a subanalysis to measure AIDS spending.

The HIV and AIDS subanalysis is capable of illustrating the various spending patterns and distribution of resources within a country and also revealing the major actors in the health system. At a minimum, the subanalysis reveals the proportion of AIDS expenditures as a share of total health expenditures (THE). Further analysis can show the percentage of spending by the public, household and donor sector demonstrating

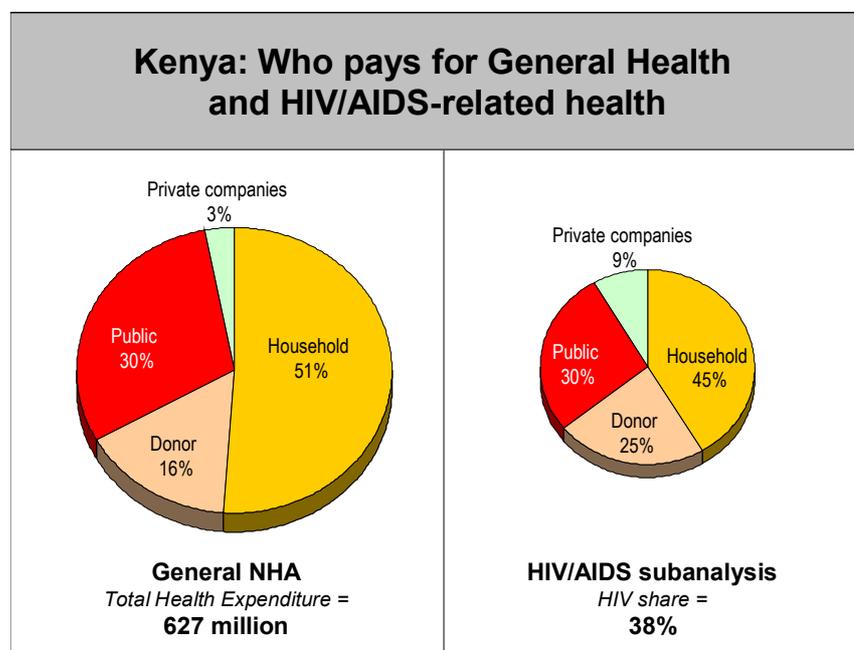
who is financing AIDS expenditures. Of more interest to many countries is the use of AIDS funds towards treatment.

Key Findings

National Health Accounts (NHA) findings from 2002 reveal total per capita health expenditures in the amount of US\$ 20 per year. Of total health resources, about 38% were spent on prevention and treatment of AIDS and related care.

A sizeable share (45 %) of total AIDS resources was contributed by household out-of-pocket spending. Additional resources came from donors (25%) and the government (30%).

More than half of donor spending on health is allocated to AIDS-related activities (57%), explaining their proportionately larger share of total expenditures on HIV/AIDS as compared to health in general. Meanwhile, about 38% of public health funds are spent on AIDS.



Equity in utilization and financing of health care in the absence of a financial support system that facilitates patients’ access to care, treatment of HIV-related diseases is defined by patients’ socioeconomic background and ability to pay. Out of pocket expenditures amount to US\$ 100 per year per seropositive individual; that is, they spend nearly eleven times more on health than the general population. The wealthiest segment of the population incurs about half of those expenditures.

The wealthy do not utilize care more often, but they pay substantially more per visit and per hospital admission. This is true whether they are accessing care in the public or private sector, raising issues about differential access quality care and antiretroviral therapy. In 2002, while wealthy Kenyans may have had the financial capacity to pay for antiretroviral drugs and quality treatment of opportunistic infections, the large majority of HIV-positive individuals received limited care.

There are also gender differences in access to care. While in the general population women utilize 50% more inpatient care than men, HIV-positive men are admitted into hospital twice as often as women. Women pay 65% more per visit, however. A possible explanation is that women are receiving care at later stages of the disease.

Policy Implications

These findings shed light on topics that are of import to Kenyan health policymakers, who has responsibility for stewardship of the health sector and will need to exercise it wisely to coordinate effectively the recent expansion in the resource envelop available to finance AIDS care in Kenya. Some findings of particular interest are that, even prior to disbursement of Global Fund monies, the Government of Kenya is reliant on donor funds to finance AIDS prevention, treatment and care. NHA is an effective tool to track utilization of global and other resources.

A heavy burden of financing health care falls on households, with HIV-positive individuals being hit particularly hard. Information on who are the ultimate beneficiaries of health resources is a key element in evaluating whether health policies and programmes are achieving their intended result.

The Government of Kenya is currently implementing an expansion of the benefit package covered by the social health insurance programme and is considering policies to extend coverage to those employed in the informal sector. If successful, these policies will improve access to health care by those most in need including HIV-infected individuals.

Keywords

National Health Accounts, HIV/AIDS, Expenditure, Resource allocation, Country response.

Funding the Fight against AIDS in Kenya National AIDS Budget analysis (2000/2001–2005/2006)

Kenya

Total Population	31.5 million
Adult HIV Prevalence	6.7% (2003 ¹⁰)
HIV/AIDS infected adults and children	900,600
Life Expectancy at Birth	47 years

* 2001 Data

HIV prevalence among adults in Kenya 15–49-years-old has declined from 13.5% in 2000 to 6.7% in 2003³. In 1999, the Government declared AIDS a national disaster and established the National AIDS Control Council (NACC). In 2000, the Kenya National HIV/AIDS Strategic Plan was published, addressing in large part the need to better coordinate the HIV-related activities of multiple stakeholders. The Office of the President houses the NACC, which has decentralized structures down to district level, enhancing its ability to ensure an integrated, multisectoral response. In 2003, the President formed a cabinet committee on HIV/AIDS, reflecting the Government's continued commitment in the fight against the epidemic.

Objective

Through an analysis of AIDS budgeting, this study aims to examine how the Government of Kenya is funding the fight against AIDS and to enhance the capacity of civil society to track and analyse AIDS budgets.

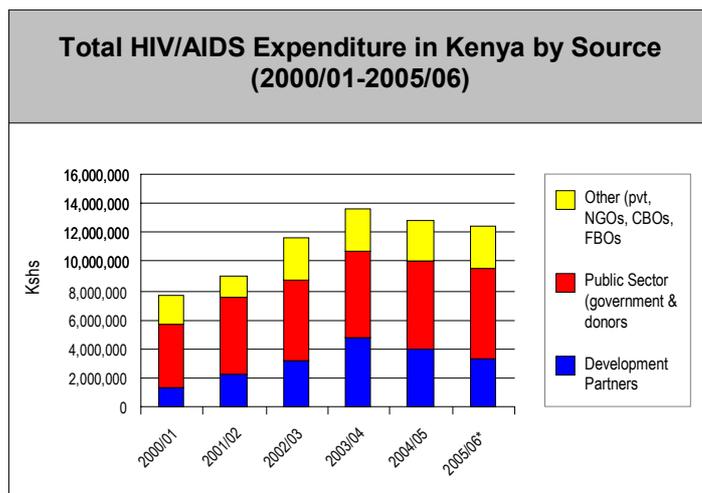
Methodology

The study is primarily based on analysis of key budget documents, the Audited Government and Appropriation Accounts, the printed recurrent and development estimates for various financial years, and the Ministry of Finance's MTEF database. Additional data was obtained through key informant discussions with senior management staff and custodians of required information and records in the Kenyan ministries of Finance and Planning (NASCO), National AIDS Control Council and the Central Bureau of Statistics (CBS).

Key Findings

In Kenya, public health expenditure accounted for between 4.5% and 5% of total government spending over the study period (2000/2001–2005/2006). In 2003–2004, the total health expenditure per capita was estimated at Kshs 637 (approximately US\$ 8.40).

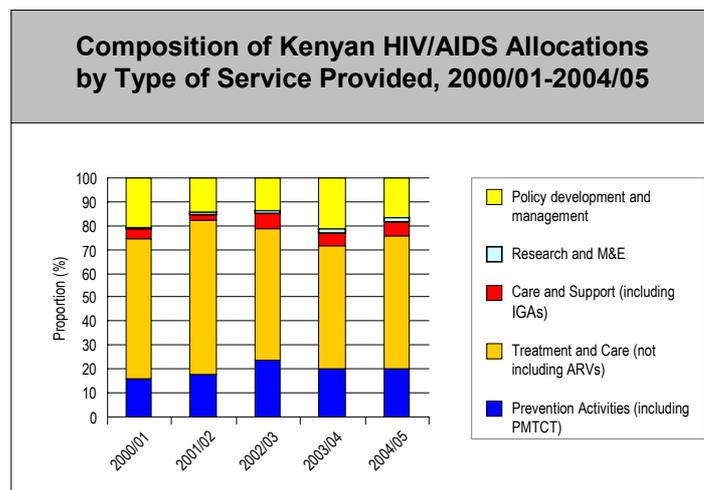
Total government expenditures allocated to AIDS increased from Kshs 264 million (US\$ 3.75 million) in 2000/2001 to Kshs 1818 million (US\$ 23 million) in 2002/2003. It is projected to increase to Kshs 3052 million (US\$ 40 million) in 2003/2004 and decline to Kshs 1556 million (US\$ 20 million) in 2005/2006. In real terms, the AIDS budget increased *on average* over the study period by 80% each year.



Source: National AIDS Control Council: the Kenya National HIV/AIDS Resource Envelope, February 2003.
* Own projections using expenditure growth rates.

Funds from development partners account for approximately 28% of the total AIDS funding, over the study period, while public funds (including the state's and some donor funds) account for almost 50%. Total AIDS expenditure, including all donor funds, increased from Kshs 7 million (US\$ 100 thousand) (2000/2001) to an estimated Kshs 13 million (US \$1.7 million) in 2004/2005, a nominal increase of almost 70%. Private sector, community-based organizations, faith-based organizations, and nongovernmental organizations account for 2.1%, 3.3%, 0.3% and 16.6%, respectively.

Between April 2002 and May 2003, a total of Kshs 43 298 785 (US\$ 550 000) was disbursed to various community-based organizations in the Eastern Province. However, by the end of May 2003, only Kshs 18318 504 (US\$ 233 000) had been spent, representing 41% of total disbursements.



Source: Kenyan Estimates of Recurrent and Development Revenue, 2003, and National Aids Resource Envelop, 2003.
JGA = Income Generating Activities.
*Incorporated under prevention are: Behaviour change, blood safety, PMTC, STI treatment. Incorporated under care are Mitigation of socio-economic impact.

Considering priorities in the programmes funded, the amount allocated to behaviour change, treatment and care for the infected and affected, and mitigation of socioeconomic impacts, was 18.8%, 55.5% and 6.1%, respectively, in 2002/2003 compared to 12.3%, 58.3% and 4.3%, respectively, in 2000/2001. Of the resources for

behaviour change/prevention, the largest expenditure component is community mobilization (largely through World Bank/KHADREP fund) and social marketing of condoms.

Policy Implications/Recommendations

Coordination of all sources of AIDS funding: the NACC transfers funds to various implementing agencies, although some of the agencies receive funds directly from donors. As a result, this study may underestimate total AIDS funding. There is a need for the NACC to coordinate all the sources for AIDS funding in the country. This information will enable the government to determine whether or not the funds committed to AIDS activities are sufficient and to identify specific programmatic gaps.

Assessment of efficiency and equity in the utilization of AIDS funds: while there has been progress in the Government's commitment to fighting the AIDS epidemic, less progress has been made in ensuring the efficiency and equity in the utilization of funds. This stems in part from lack of data on actual spending by the implementing agencies. Standard minimum data sets for collection in all regions should be specified and used in ongoing monitoring.

Enhancement of the efficiency of the monitoring system: although the allocation of AIDS funding between geographic areas is of concern to the Government, available data are insufficient to identify trends in this regard. NACC should improve the efficiency of the monitoring system so as to enhance inter-provincial equity in resource allocation for AIDS activities.

Costed AIDS strategic plan: an economic analysis of the strategic plan is required to enable NACC to assess the resource needs for implementation of the plan. By identifying resource gaps, it might be possible to re-direct resources to under-funded priorities and identify how limited resources might be allocated more efficiently. The costing can also be used to monitor progress in resource mobilization.

Key words

Government budgets, HIV/AIDS, Public expenditure, Financing, Kenya.

Funding the Fight against AIDS in Mexico National AIDS Accounts (1997–2002)

Mexico

Total Population	100 million
Adult HIV Prevalence	0.3%
HIV/AIDS infected adults and children	150,000
Life Expectancy at Birth	73.1 years

* 2001 Data

Sexual transmission is the driving force for the epidemic in Mexico, with especially heavy concentration of infections among groups that engage in high-risk behaviours, including men who have sex with men. Mexico has the third highest number of cumulative AIDS cases (more than 51 000) in the Americas, following the USA and Brazil. Notwithstanding a reduction in death rates as a result of improved therapies, AIDS still constitutes the fourth-most important cause of death among men and the seventh-most important cause of death among women in young people between 25–34 years of age.

A National AIDS Commission has been active for many years, working in collaboration with various ministries and with civil society, which plays an important role in the national response to AIDS. Cultural and religious factors have often impeded implementation of effective prevention efforts. Mexico is striving to decentralize its health services and has created programmes for prevention and control of AIDS and sexually transmitted infections (STI) at the federal and state levels. The country has made considerable efforts to finance the response to the AIDS epidemic, but resources are still limited. Following the Special Session on HIV/AIDS of the UN General Assembly in 2001, Mexico declared AIDS a national security problem. The country's principal challenge at this stage of the national response is to prevent the epidemic from spreading to the general population.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

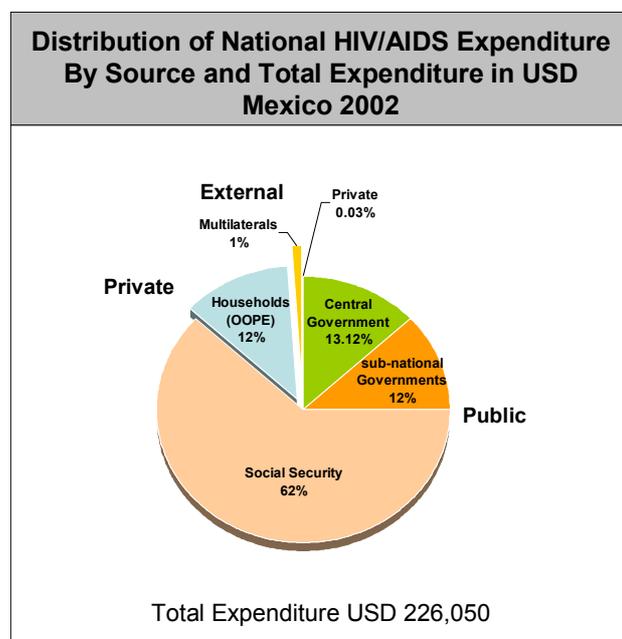
Mexico was the first country (1995) to develop national estimates of AIDS expenditures. Mexico's experience (along with results from Brazil, Guatemala and Uruguay) in 1997-1998 contributed to standardization of NAA for application in other Latin American and Caribbean settings.

Methodology

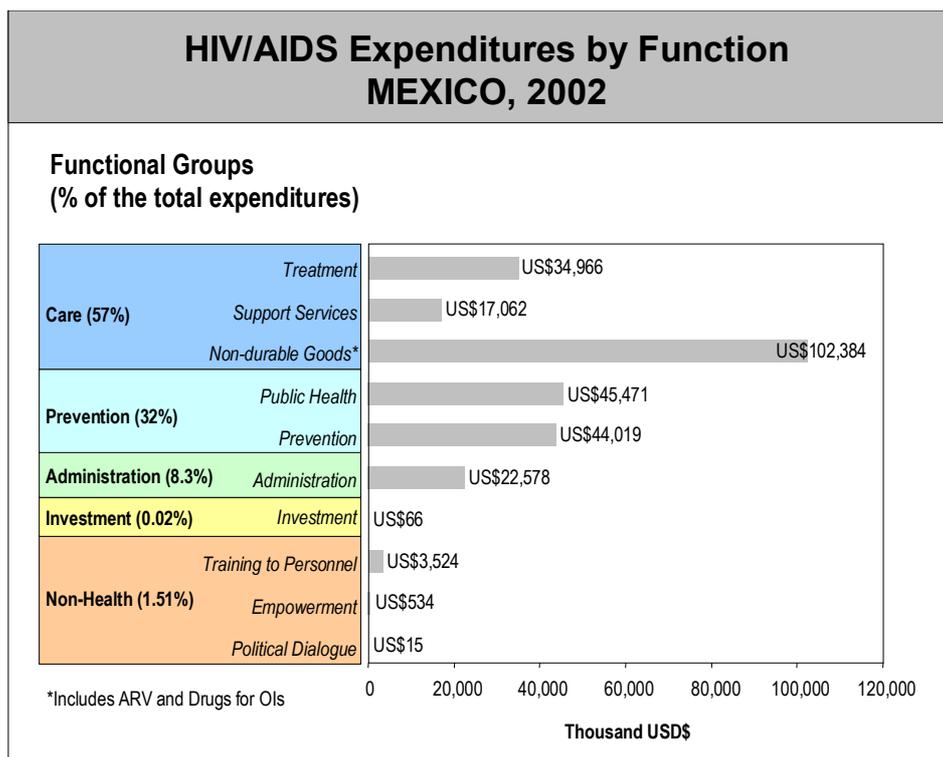
This analysis used the NAA approach, as described on page 3.

Key Findings

Spending on AIDS activities in Mexico amounted to US\$ 226 million in 2002. The public sector contributed the overwhelming bulk of such financing (87%), followed by the private sector (12.1%) and external donors (1.8%). Total expenditures on AIDS have increased 2.5 times since 1995, with spending on health-care services increasing most prominently, from US\$ 49 million in 1995 to US\$ 155 million in 2002. With respect to spending for health services, purchase of antiretroviral drugs represents the single greatest spending item (US\$ 102 million).



Between 1995 and 2002, financing of public health and prevention activities experienced a more modest increase of 43%, from US\$ 30 million to US\$ 43 million. In the field of prevention services, Mexico spent US\$ 19 million in 2002 on the purchase and distribution of condoms (excluding those whose sole purpose is family planning), US\$ 13.8 million for the diagnosis and treatment of sexually transmitted infections (mainly among female commercial sex workers), and US\$ 10.4 million for blood safety measures. Administration costs were US\$ 22.5 million (2002). Health-related expenditures was amounted to US\$ 1.3 million (mainly for the training of personnel).



Private expenditure includes out-of-pocket expenditures (US\$ 17 million) and direct financing from nongovernmental organizations (US\$ 1 million). As HIV and AIDS is excluded from most private insurance coverage, such private insurance plans make only negligible contributions toward financing of the national response.

Policy Implications/Recommendations

The use of policy tools like the National AIDS Accounts perfectly complement the widespread use of National Health Accounts in the public planning of activities within the health sector. Proof of that is that NAA has been included in the medium term health plan with respect to HIV/AIDS/STI. Furthermore, the NAP is planning to conduct state-level AIDS Accounts for planning and monitoring of implementation purposes.

The results of NAA have also been useful to identify the gap in financial resources for prevention, and the need to redirect the scarce available resources in a more cost-effective manner, for instance to the most vulnerable and at risk populations: men who have sex with men, and commercial sex workers.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS

Funding the Fight against AIDS in Mozambique National AIDS Budget Analysis” (2000/2001– 2003/2004)

Mozambique

Total Population	18 million
Adult HIV Prevalence	13%
HIV/AIDS infected adults and children	~1 million
Life Expectancy at Birth	39.2 years

* 2001 Data

The population of Mozambique is estimated at 18 million with at least 70% living below the absolute poverty line. The annual growth of real Gross Domestic Product (GDP) was estimated at 9% in 2001 (International Monetary Fund) and the Gross National Product (GNP) at US\$ 230 per capita (2000). Since 1996, inflation has been under control allowing the country to experience remarkable economic growth rates.

In 2001, HIV prevalence was 13% with higher rates noted in the South and Central regions. Efforts in AIDS over the last two years have concentrated on the creation of a policy and institutional framework for the implementation of the National Strategic Plan. Access to prevention, care and treatment remains limited. The government recently initiated the provision of free antiretroviral treatment to a restricted number of people around the country, and prevention of mother-to-child-transmission therapy is provided in some provinces.

Objective

Through the analysis of AIDS budgeting, this study aims to examine how the government of Mozambique is funding the fight against AIDS, and to build the capacity of civil society to undertake AIDS budget analysis in the country. Due to the minimal amount of data available on funds spent, AIDS expenditure could only be captured in the health sector, primarily through records of the Ministry of Health. Also the available data is not disaggregated in terms of line-items and activities.

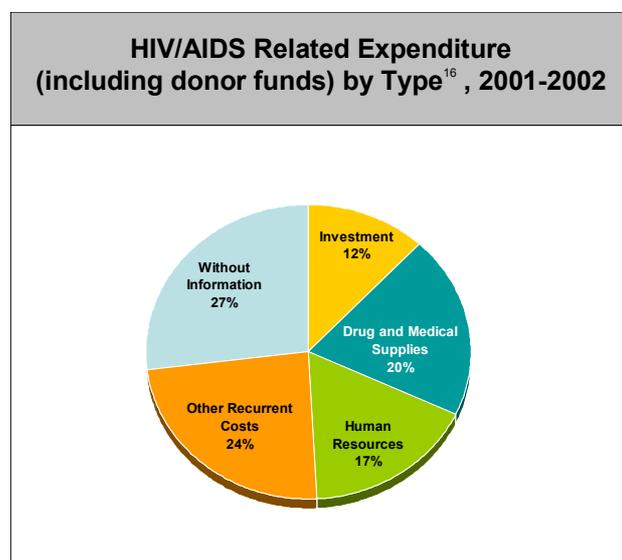
Methodology

The study is based primarily on analysis of the annual state budgets, health sector expenditure review, and financial reports. Information was also obtained from the evaluation reports on the Poverty Reduction Strategic Plan, the National Institute of Statistics (INE), as well as from the National Human Development Reports (1998–2003). The National AIDS Council (NAC) also provided documentation (provincial reports, national strategic plan). Interviews were conducted with key officials in the Ministry of Health, NAC and the Ministry of Planning and Finance.

Key Findings

The health sector, including AIDS-control activities, accounted for the largest share of donor financing (11% of total grant funding from 1999–2002). Donor funds contribute the majority of the health expenditure. However, the state’s contribution was estimated to have risen from 35% in 2001 to 38% in 2002 (DPC-Ministry of Health, 2001). A large portion of AIDS funding also comes from external sources,

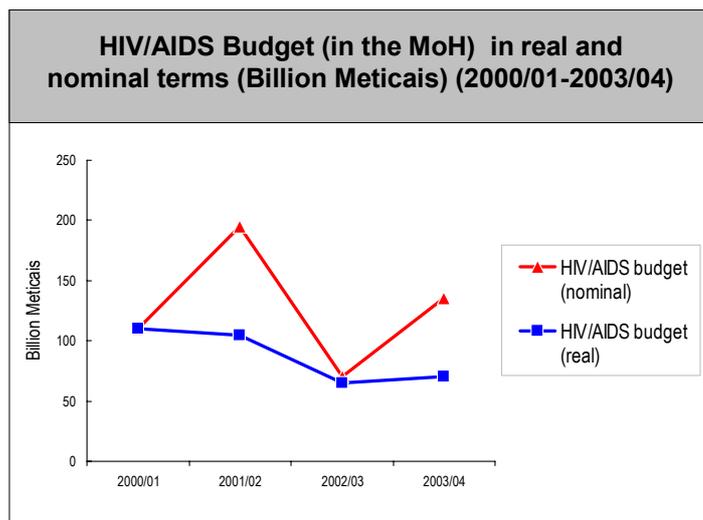
bilateral and multilateral donors. In 2001, of all the resources invested in AIDS, only 10% came from internal sources. The following year there were further external contributions, which accounted for more than 60% of the total contributions to the AIDS budget.



Between the years 2001–2002, it was estimated that US\$ 7 858 388 by the government and US\$ 10 623 410 by donors (or 9.43% of total health expenditure from the Ministry of Health) were spent on AIDS-related activities. These figures however, are only those made through the Ministry of Health, and are not inclusive of AIDS contributions made by various nongovernmental organizations and the private sector. Figure 1 illustrates AIDS expenditure by type in 2002 (Ministry of Health DPC 2003:20).

An analysis of budget allocations (real rather than nominal values) for AIDS demonstrates the lack of growth rate, with only a real average increase of 4.5% between 2000/2001 and 2003/2004. Figure 2 shows the nominal and real amounts allocated to AIDS from the national budget (excluding donor funds).

With respect to the overall health budget as a percentage of the total budget (between 2000/2001 and 2005/2006), the share to health has increased significantly from 9.9% in 2000/2001 to 15.4% in 2003/2004. However, there is a decrease in the AIDS allocation as a share of the total budget, from 0.5% in 2000/2001 to 0.4% in 2005/2006. The treatment component receives about 60%, while the prevention receives 40%. To date, there is limited information available with regard to the split between various programmes or sub-components of government's AIDS response.



Policy Implications/Recommendations

There is political commitment to AIDS by the Mozambican state, however, there is need for increased commitment to be reflected in state allocations to the fighting the epidemic. In addition, budgeting for AIDS should be better-based on need, in terms of the size of the problem and based on accurate costings of the required response.

There is a need to disaggregate the health and AIDS budget to enable better control of the kind of activities being funded and also the extent of such funding. There should also be routine and accurate reporting on actual expenditure. In addition, there is a need to produce a study on the different criteria and disbursement procedures adopted for different funds and donors. A centralized database of all donor funds would assist government's tracking of these.

Institutional development of the National AIDS Council would enhance their funding channels and procedures. In addition, the government's capacity (both financial and human resources) must be enhanced to adequately respond to the epidemic.

Because of their external dependency on aid, the government of Mozambique tends to adopt policies in order to be eligible for international assistance, without looking at the practicalities of implementation. In addition, there is the risk that the heavily donor-funded projects may not be in accordance with national priorities or policies. Heavy reliance on donor aid also undermines the state's ability to plan and manage their MTEF, as well as threatening the sustainability of programmes.

The legislature can play an important role in the budget process. Their good understanding of issues related to the process can produce considerable impact, not only by critically analysing the way the budget is produced but also on composition, priorities and allocations. More attention therefore, should be given to building the capacity of policy makers and National AIDS Council staff on budget analysis.

Key Words

HIV/AIDS expenditure, Government Budgets, Donor Expenditure, Mozambique.

Funding the Fight against AIDS in Nicaragua National AIDS Accounts (2000–2002)

Nicaragua

Total Population	5 million
Adult HIV Prevalence	0.2%
HIV/AIDS infected adults and children	5,800
Life Expectancy at Birth	69.1 years

* 2001 Data

Nicaragua is the second-poorest country in all of Latin America, with a population growing at an annual rate of 3.1%, the highest in the Americas. Approximately 19% of the population is illiterate. Almost 69% of the population is under the age of 24, and more than half live in urban areas.

Although it is difficult to draw firm conclusions due to the lack of reliable data, it appears that Nicaragua has a low-level epidemic, reporting the lowest HIV prevalence in Central America. Early start up of sexual activity—more than one-half of boys report having sex at the age of 15—combined with low-levels of condom use among its young population indicate the potential for future increases in HIV infection. The civil war in the 1980s, natural disasters, and acute socioeconomic pressures have generated high levels of migration and mobility, another cause for concern regarding the future potential for an AIDS outbreak.

The national poverty eradication strategy refers to AIDS as an important future threat. National health expenditures, from both national and external sources, have steadily declined in recent years.

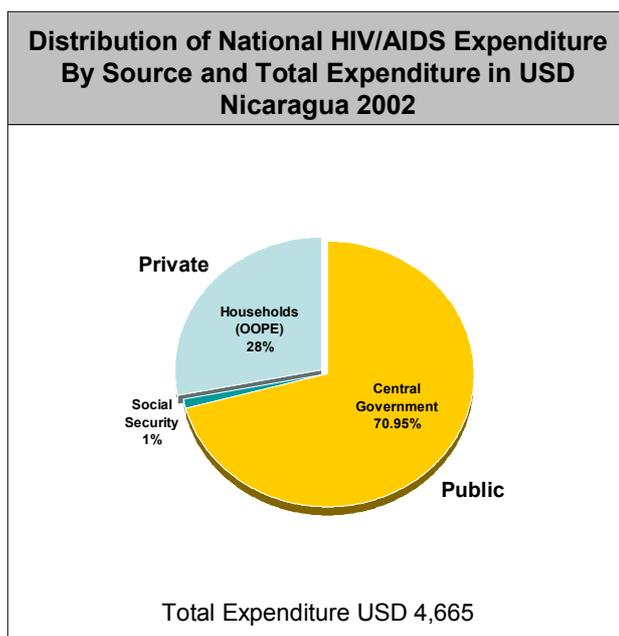
Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

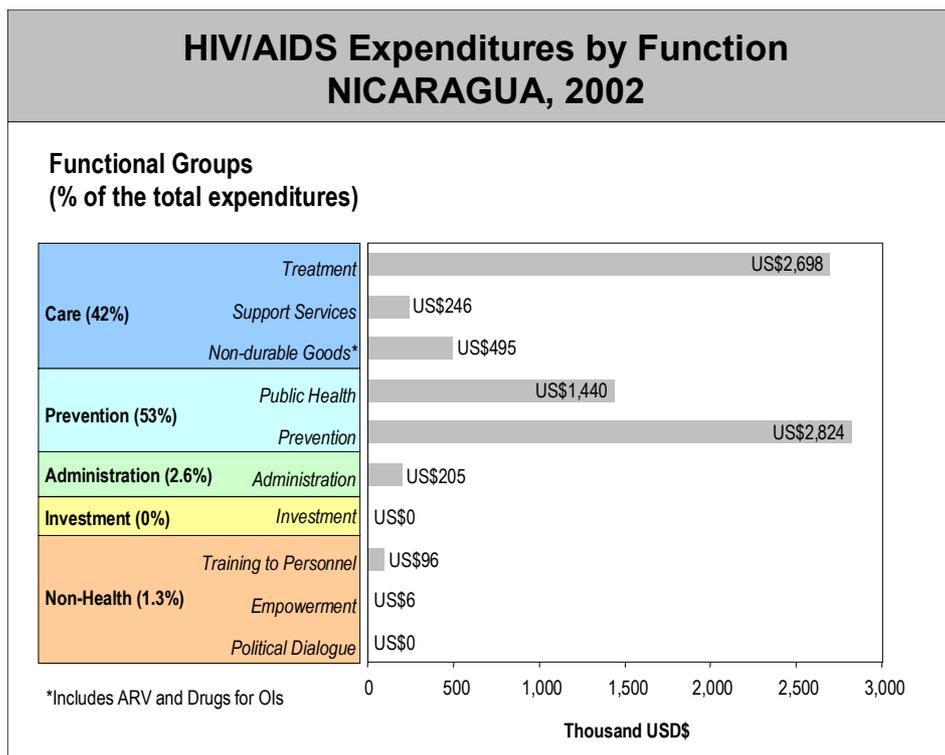
This analysis used the NAA approach, as described on page 3. NAA were estimated in two separate rounds: in 2000–2002 through sponsorship by the Regional AIDS Initiative for Latin America and the Caribbean (SIDALAC), and in 2003, when an independent execution of NAA took place with minimal technical cooperation from SIDALAC. The last available estimates are from 2002. It is anticipated that final 2003 estimates will be available by early July 2004.

Key Findings



Total AIDS expenditures amounted to US\$ 6 million in 2000; US\$ 7.4 million in 2001; and US\$ 8.05 million in 2002. (The central government and bilateral organizations each provide 41% of AIDS funding, with household out-of-pocket spending accounting for the bulk of the remainder (US\$ 1.25 million); the social security and nongovernmental organizations provide almost 1% each..

The expenditures in 2002 were for personal health care services account for US\$ 3.3 million, or 43% of the total. Within spending for personal health services, ambulatory care represents the single largest item (US\$ 2.4 million). Public health and prevention programmes consume more than US\$ 4 million, including US\$ 1.2 million for information, education and communications; US\$ 1.8 million was spent on the purchase of condoms; US\$ 662 000 on the diagnosis and treatment of sexually transmitted infections (primarily for commercial sex workers); US\$ 243 868 for blood-safety measures; and US\$ 237000 on epidemiological surveillance.



Policy Implications/Recommendations

Additional efforts are needed to promote the effective utilization of this strategic information in allocating national resources.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS

Funding the Fight against AIDS in Panama National AIDS Budget Analysis (1999–2003)

Panama

Total Population	3 million
Adult HIV Prevalence	1.50%
HIV/AIDS infected adults and children	25,000
Life Expectancy at Birth	74.4 years

* 2001 Data

Panama has a national policy providing universal access to antiretroviral treatments. The country initially provided antiretroviral drugs to all populations covered by Social Security and expanded this in 2002 to the uninsured population through the Ministry of Health.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

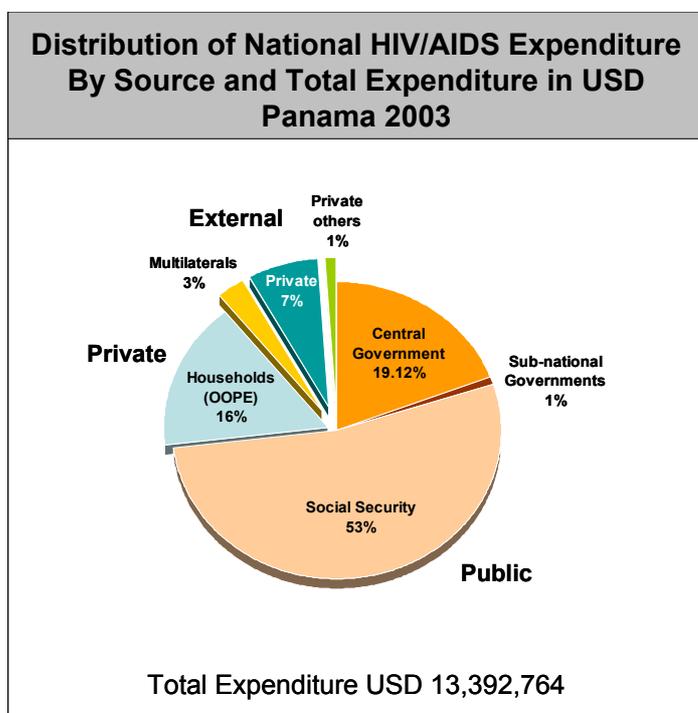
NAA estimates were made in two rounds: in 1999–2002, and in 2003.

Key Findings

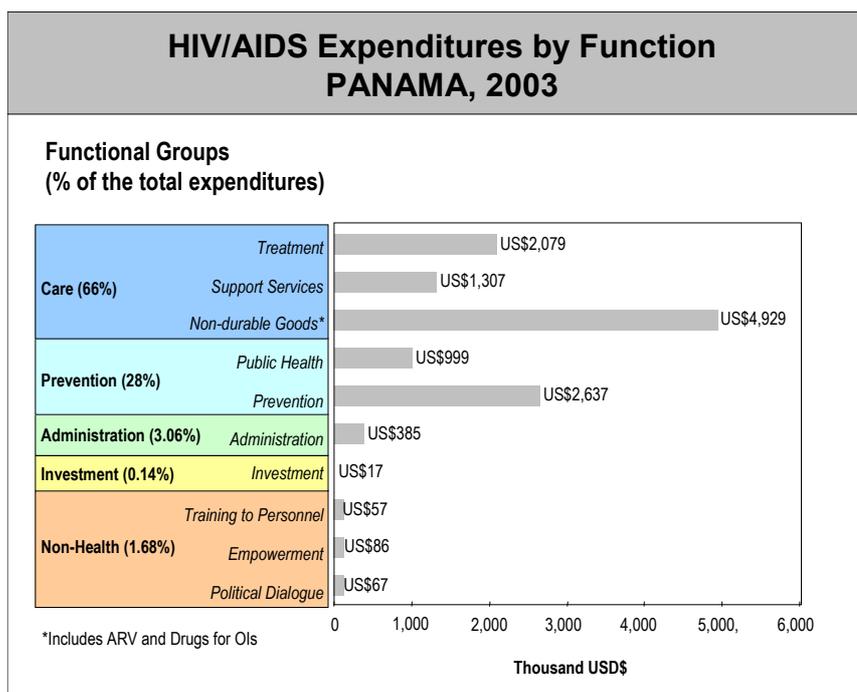
Panama has systematically and continuously conducted NAA since 1999. More than 90% of the expenditures have been targeted to people living with HIV and AIDS, mainly through the provision of care and treatment, including antiretroviral drugs.

Between 1999–2002, HIV-related spending by the national government increased by 180%. Financing from external sources grew from US\$ 135 000 in 1999 to US\$ 2.2 million in 2002. This major increase of the expenditure was due to the effort of the government that multiplied its outlay 2.5 times: from US\$ 4 million in 1999; 2000, US\$ 8.19 million; 2001, US\$ 12.51 million; and US\$ 9.9 million in 2002. Total AIDS expenditure amounted to US\$ 14.2 million in 2002—with 15.6 % coming from external sources, 70.4% from the public sector and 14% from the private sector.

In 2003, total expenditures for AIDS amounted to US\$ 13 392 764. Of the total expenditure 71% was from public sources (52% social security and 19% from the Ministry of Health). The majority of the resources (62%) were for personal health care services; although universal access remains national policy, the amount of the resources devoted to care and treatment has decreased due to the reduction in the prices of antiretroviral drugs.



A total of US\$ 3 636 874 (or 27.2% of the total expenditures) was spent in public health and prevention, with condoms accounting for the largest single share of prevention spending (US\$ 1 515 713).



Policy Implications/Recommendations

Even though a cost-effectiveness analysis conducted by the Panama Government demonstrates the potentially significant impact of prevention programmes targeted to populations at greatest risk. Resources for prevention have not been aimed at the most vulnerable and at-risk populations for AIDS.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS.

Funding the Fight against AIDS in Paraguay National AIDS Accounts (1997–2002)

Paraguay

Total Population	5.6 million
Adult HIV Prevalence	N/A
HIV/AIDS infected adults and children	3,000
Life Expectancy at Birth	70.5 years

* 2001 Data

The vast majority of people living in Paraguay are Mestizo of mixed Spanish, and Guaraní indigenous, origin. More than one third of the population (33.7%) live in poverty. The national population is increasing by 2.9% annually.

Among the estimated 3000 people living with HIV, most (72%) contracted HIV through high-risk sexual behaviour. The epidemic is concentrated in vulnerable groups, especially among men who have sex with men, but heterosexual transmission is growing. Blood-related transmission is also still high, accounting for approximately 14% of all infections, and the mother-to-child-transmission contributes an additional 4% of cases.

A National Commission on AIDS has existed since 1986, and the country has developed a National Strategic Plan for the period of 2001–2004. The National Commission on AIDS is an intersectoral body chaired by the National AIDS Programme (NAP) and includes participation of nongovernmental organizations and people living with HIV and AIDS. Paraguay has adopted a national legal framework on HIV and AIDS, in addition to various resolutions that stipulate the roles and responsibilities of the NAP and the National Council on AIDS. The NAP is committed to working in conjunction with civil society and people living with HIV and AIDS. Paraguay has also established a private sector council on HIV and AIDS. Key programmatic needs include strengthening epidemiological surveillance, improving prevention programmes, and ensuring access to care and treatment.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

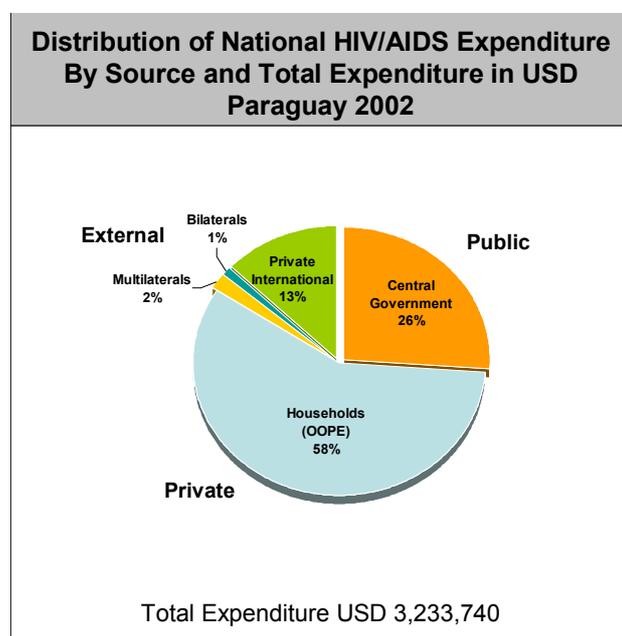
Paraguay used NAA results in developing its funding proposal for the Global Fund to Fight AIDS, Tuberculosis and Malaria, and NAA will be used to monitor and implement the Global Fund grant.

Methodology

This analysis used the NAA approach, as described on page 3. There have been two periods for which NAA were estimated: in 1999–2000, in connection with training and technical assistance provided by the Regional AIDS Initiative for Latin America and the Caribbean (SIDALAC), and in 2001–2002, when NAP staff assumed oversight of the project. The latest available estimates for Paraguay are from 2002.

Key Findings

In 2002, AIDS expenditures in Paraguay totalled US\$ 3 233 740. Large variations in the participation of the public, private and international sources in the total expenditure have been observed. For instance, in 1999, the public sector share was 53% while in 2000 its contribution decreased to 30%. The majority of AIDS expenditure in 2002 came from households (58%) followed by central government (26%) with the remaining portions from private sources. Funds were primarily spent on prevention (55% of total expenditure) and care (43% of total expenditure).



Policy Implications/Recommendations

The 2002 estimation of NAA was completed almost exclusively by national professionals. It is therefore feasible that new estimates are conducted, and also that technical assistance be provided to other countries within the region.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS.

Funding the Fight against AIDS in Rwanda Rwanda NHA HIV/AIDS Subanalysis Abstract

Rwanda

Total Population	8.3 million
Adult HIV Prevalence	5.10%
HIV/AIDS infected adults and children	200,000
Life Expectancy at Birth	44 years

* 2001 Data

With adult HIV prevalence of approximately 5.1% (about 200 000 HIV-positive adults) and per capita Gross Domestic Product below US\$ 300, the AIDS epidemic represents an enormous challenge to Rwanda's health sector and development prospects in general. Over 80% of Rwanda's population of 8.3 million live in rural areas and most are engaged in subsistence agriculture. Health services are largely delivered through public facilities; although, the private sector, consisting mainly of private clinics, is steadily growing and so too are a number of insurance schemes.

Rwanda is the first sub-Saharan African country to conduct two detailed reviews of AIDS health expenditures, one for 1998 and another for 2002. Findings from the first NHA study showed that households bore the burden of financing a disproportionate amount of all AIDS health funds relative to donors and government. These findings exposed a number of weaknesses in the equity and efficiency of AIDS funding. Since the publication of the first subanalysis, both the government and donor community have strengthened their commitment (albeit to different degrees) to addressing the needs of the delivery system for AIDS.

Objective

The purpose of the study is to help policymakers make informed decisions regarding resource allocation for AIDS health services. The subanalysis also provides baseline information for monitoring the disbursement process of large donor contributions for AIDS (e.g., Global Fund to Fight AIDS, Tuberculosis and Malaria; President's Emergency Plan for AIDS Relief). Moreover, the study allows for examination of HIV spending relative to overall health care expenditure patterns.

Methodology

The AIDS subanalysis was conducted as part of an overall National Health Accounts exercise that tracked the flow of funds through the health sector for the year 2002 (from the financiers of AIDS funds to their end users). The Ministry of Health spearheaded the effort with a goal of institutionalizing the process.

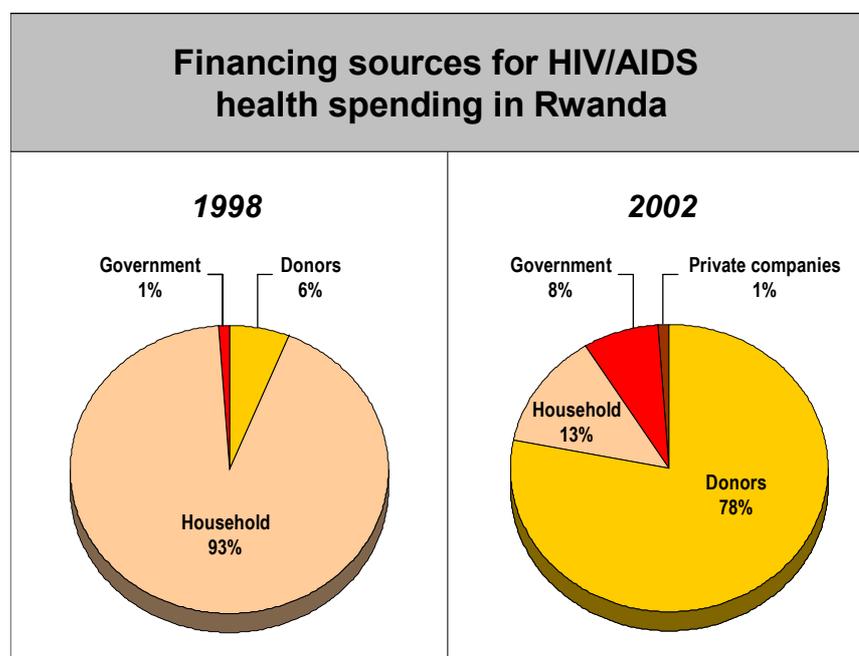
Expenditure information was obtained by adding HIV-focused questions onto ongoing general NHA questionnaires administered to donors, nongovernmental organizations, public and private companies, insurance schemes, various providers, and the government. The subanalysis also involved the implementation of a separate survey targeting People Living with HIV and AIDS at health-care facilities and support groups or associations. Secondary data and key informant interviews

supplemented primary sources. Multiple data sources for each expenditure category estimate allowed for triangulation and verification of findings.

In order to facilitate use of the data for policy purposes and to gain access to a wide variety of sources of information, the Ministry of Health assembled and chaired a steering committee, comprised of key health stakeholders including those managing major AIDS monies.

Key Findings

The figure shows the significant changes in the relative contributions of different financing sources to AIDS health spending between 1998 and 2002. In particular, donor contributions have risen sharply, from approximately 6% in 1998 to 64% in 2002. It should be noted that the first NHA exercise was conducted at the height of the donor reconstruction effort following the war in 1994. Since that time, donor funding for health care in general has decreased sharply, by approximately 50 % (NHA, 2002). Despite this drop in donor financing, the subanalysis findings show a steep increase in donor HIV funding.



Increased donor financing has helped remove part of the burden from households. However, household spending for HIV and AIDS remains much higher than the government contribution. This is consistent with the low overall financing for health services as a share of total government spending (4% of the executed government budget).

The share of HIV spending by different financing sources relative to their overall contributions to health in 2002, indicates that a sizeable 17% of household health spending is allocated to HIV and AIDS services, a significant burden in view of the fact that these are borne by only 5% of the adult population infected with HIV. Only 4% of government health care financing goes towards HIV and AIDS services. Over one third of donor financing is now targeted for HIV health care, the majority of

which is channelled through various implementing agencies and projects in contrast to being managed by the government.

Policy implications/Recommendations

The increasingly large share of donor spending targeted to HIV and AIDS raises important concerns about sustainability in the face of a long-term epidemic and questions regarding the role of the government as a steward of HIV and AIDS health care. Similarly, the burden placed on households relative to government spending highlights the important issue of equity in HIV and AIDS financing.

The HIV and AIDS subanalysis allows for better monitoring and targeting of resource flows for HIV and AIDS. Moreover, its inclusion of household spending provides key information for equity analyses. Due to its standard and feasible approach, it is recommended that such subanalysis be used for baseline data, particularly, for the monitoring of the disbursement process for large donor contributions.

Key words

HIV/AIDS financing, Equity, Resource allocation.

Funding the Fight against AIDS in South Africa National AIDS Budget Analysis.

South Africa

Total Population	44.8 million
Adult HIV Prevalence	23.4%
HIV/AIDS infected adults and children	6.1 million
Life Expectancy at Birth	50.9 years

* 2001 Data

Relative to other countries in Africa, South Africa has a well-developed health infrastructure. The public health-care system is primarily funded by state resources, with a relatively low reliance on donor aid generally. External assistance accounts for only 1.3% of total government expenditure

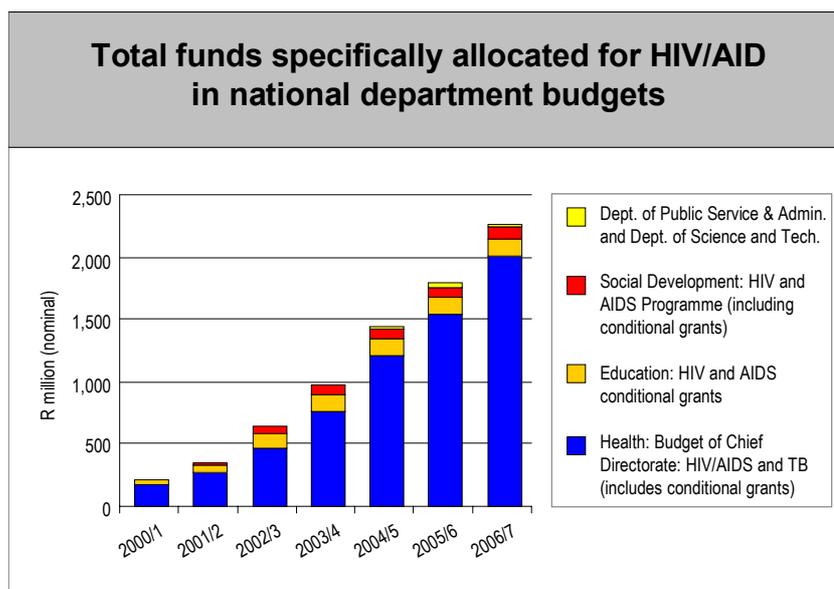
In 2002, HIV prevalence within the overall population was estimated at 14.2%, with an estimated 262 000 people in South Africa having died of AIDS. In November 2003, the government announced a plan to provide antiretroviral treatments free-of-charge through the public sector. The 2004/2005 national budget allocates R 373 million (US\$ 57.4 million) for the first-year roll-out of the national antiretroviral treatment programme.

Objective

The study summarized here seeks to monitor spending on AIDS activities and to enhance national capacity to track and analyse AIDS budgets.

Methodology

National and provincial budget documents were analysed, as were regular actual expenditure reports published by the National Treasury. Document analysis was supplemented by telephone interviews with key officials from the National Treasury and national Department of Health.



NB: Does not include funds from provinces' own budgets
Source: 2004 Division of Revenue Bill, 2004 Estimates of National Expenditure

Key Findings

The National Treasury has specifically allocated R 1.439 billion (US\$ 68 million) from the national budget for HIV and AIDS programmes and services in 2004/2005. This amount is nearly seven times the amount specifically allocated for HIV and AIDS in the 2000/2001 national budget. Funds earmarked for AIDS in the national budget nevertheless constitute less than 1% of the total consolidated budget, and health expenditure remains a steady 11% of consolidated national and provincial spending.

In 2004/2005, 0.37% of the total consolidated expenditure is specifically earmarked for AIDS programmes, primarily in health, education, and social development sectors.

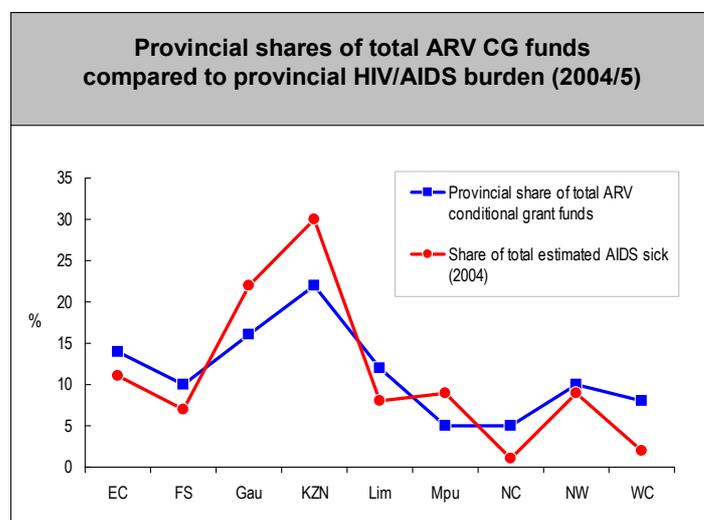
With respect to the health sector in particular, 2.8% of the consolidated national and provincial health spending is specifically allocated for HIV and AIDS programmes in 2004/2005. This percentage is set to rise to 4.0% in 2006/2007.

2004/5 Provincial ARV treatment conditional grant allocations			
	ARV conditional grant funds (R million)	Provincial shares of total ARV conditional grant funds	Provincial shares of total AIDS sick persons 2004 (ASSA provincial model)
Eastern Cape	40.777	14%	11%
Free State	29.126	10%	7%
Gauteng	46.602	16%	22%
KwaZulu-Natal	64.079	22%	30%
Limpopo	34.951	12%	8%
Mpumalanga	15.479	5%	9%
Northern Cape	14.463	5%	1%
North West	29.126	10%	9%
Western Cape	23.081	8%	2%
Total	297.684 (in US\$: 46.732 million)	100%	100%

Source: 2004 Division of Revenue Bill, pg. 31. Dorrington, R., Bradshaw, D. and Budlender, D.(2002). Idasa calculations.

If we assume a R 6000 (US\$ 941) annual average cost-per-person on treatment, the new antiretroviral conditional grant allocations will only cover AIDS treatment services for 49 614 people in the first year of the programme, which is slightly short of the 53 000 target set in the government's Operational Plan. Given the current conditional grant allocations to provinces for antiretroviral treatment, only 7% of the estimated number of AIDS-sick people nationally will be able to enter treatment during the programme's first year. However indications are that the government's intention is to provide an initial level of funding in Budget 2004/2005 which provinces have the capacity to spend. Allocations could then be increased partway through the financial year, in those provinces which were successfully spending.

Of the total new conditional grant funds for antiretroviral treatment, KwaZulu-Natal (KZN) receives the largest share (22%), followed by Gauteng (16%) and Eastern Cape (14%). KZN, Gauteng and Mpumalanga's shares of the total antiretroviral conditional grant funds are disproportionately small compared to their relatively heavy AIDS burden.



However, national government did not allocate the antiretroviral treatment conditional grant funds based solely upon provincial shares of the total estimated AIDS-sick persons. The new funds for antiretroviral treatment programmes were distributed between provinces on the basis of need (i.e., estimated caseload) *and* ability to spend the funds. Further considerations included the need to cover basic infrastructure costs in low-population provinces, and the need to build the capacity of under-resourced or under-spending provinces.

Policy Implications/Recommendations

The pre-eminent challenge currently facing the country is to rapidly implement and expand antiretroviral treatment programmes. The 2004/2005 national budget increases transfers to provincial health departments for AIDS programmes by 134%, which puts considerable spending pressures on provincial coordinators. In general, provinces have significantly improved their timely spending on AIDS funds, but some provinces still remain problematic and may struggle to spend the additional antiretroviral funds they will receive in the current budget. For those provinces with weaker financial and project management skills, absorption capacity could very well be the primary obstacle to the new programme. The success of the roll-out of the national antiretroviral treatment programme depends on strong support and guidance from the national Department of Health, and the demonstrated performance of provincial health departments in absorbing the added funds.

Key words

Government budgets, HIV/AIDS, antiretroviral (ARV) treatment, Public expenditure, South Africa.

Funding the Fight against AIDS in Thailand National AIDS Account (2000–2003): preliminary result

Thailand

Total Population	63.6 million
Adult HIV Prevalence	1.30%
HIV/AIDS infected adults and children	604,000
Life Expectancy at Birth	71.3 years

Unprotected sex is the most important contributor to HIV infection in Thailand, although the burden of AIDS as a result of injecting drug use is considerable and growing. Since the early 1990s, the Thai Governments has emphasized a concerted national response to AIDS, with major achievements in HIV and AIDS prevention, treatment, care and social support. The Government's recent new effort to move towards universal access to antiretroviral therapy has important short- and long-term financial implications and impacts on the national HIV and AIDS response. In 2003, a National AIDS Account (NAA) was initiated to provide a mechanism for routinely monitoring the magnitude and profile of AIDS spending and guide proper policy intervention.

Objective

To develop a NAA matrix to illustrate total AIDS expenditures from all sources of finance, including public and private sectors, households and external sources during 2000–2003, with the aim of informing national policy makers and institutionalizing routine monitoring of AIDS spending.

Methodology

The process of estimating AIDS resources is through a modified version of the Organization for Economic Co-operation and Development (OECD) System of Health Accounts especially on financing sources (HF) and healthcare functions (HC) appropriate to the AIDS spending context in Thailand. Financial documents for public sources were reviewed. Where household data on expenditure of HIV and AIDS was not available, a primary data collection was conducted to estimate unit cost per ambulatory care and admission for the treatment of common opportunistic infections. This is then multiplied with the service utilization by the number of people living with HIV and AIDS..

There were seven sources of HF: five government agencies (MOPH, other Ministries, Civil Servant Medical Benefit Scheme, Social Security Scheme, and Local Government) and two non-government agencies (Household out-of-pocket payment and rest of the world [ROW]).

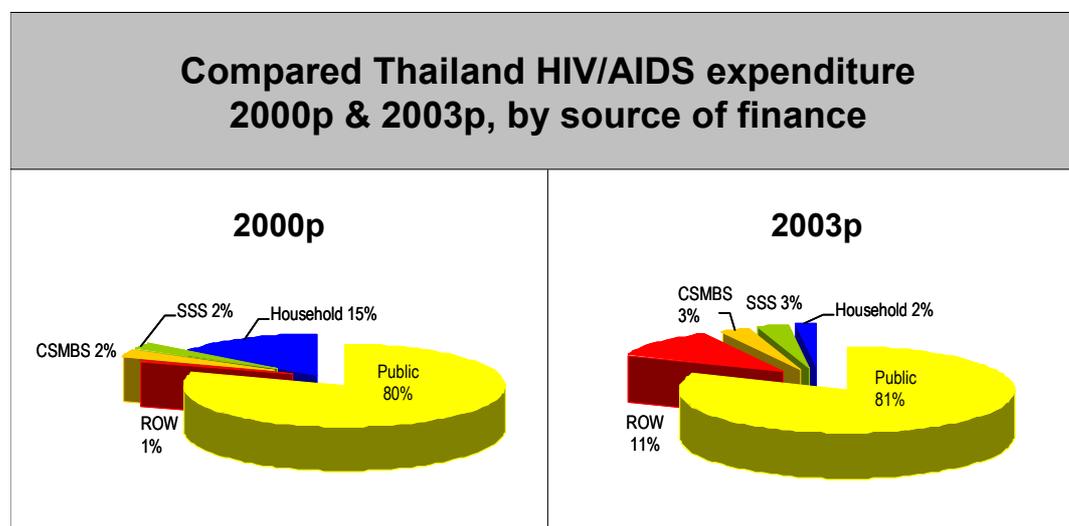
Almost all the HIV and AIDS services were provided by public healthcare sector. Since expenditure on curative care for opportunistic infections (OI) was non-existent in the private sector (private clinics, private hospitals), only a matrix of HF and HC

was produced, no attempt was made to produce Health Financing source (HF) and healthcare providers (HP) matrices.

Key findings

In 2003, Thailand spent approximately THB 2 894 million (US\$ 70 million) on AIDS programmes, this was equivalent to THB 4792 (US\$ 116) per person living with HIV or

AIDS per annum. NAA revealed that the treatment of opportunistic infection (51%) and the provision of antiretroviral therapy (ART) (28%) were the two major expenditure components. It should be noted that each prevention programme, i.e, voluntary counseling and testing, IEC, injecting drug users, safe blood supply, condom promotion, received less than 5% of total programme spending. The financing strategy for prevention seems to be disproportionate to epidemiological trend. For example, HIV incidence among injecting drug users is 50%, however, scant resources were allocated to this programme area.



Note: Preliminary data.

Thailand's national HIV/AIDS expenditure 2000-2003, classified by interventions (preliminary data)				
Major Interventions	2000p	2001p	2002p	2003p
OI*	55.01	61.75	58.91	52.37
· Inpatient	24.81	26.88	17.66	15.43
· Outpatient	30.2	34.87	41.25	36.93
ART	17.98	12.96	23.54	29.64
PMTCT**	3.98	7.03	2.51	1.12
VCT	0.36	0.33	0.23	0.71
Blood Safety	3.54	3.68	4	3.5
Condom	1.78	1.33	2.85	1.51
IDU-Detoxification & Rehab	3.62	1.05	2.42	2.62
Surveillance	0.26	0.25	0.27	0.24
IE&C	6.62	4.31	1.21	3.83
R&D	2.15	1.74	0.63	1.57
Mitigating Impact	3.06	3.18	3.43	2.88
Program Administration	1.64	2.37	0	0
Total (%)	100	100	100	100
Amount (million baht)	2,769.96	2,662.64	2,448.56	2,796.74
Baht per PLWA/year	3,988	4,002	3,856	4,631
USD per PLWA/year	99	90	90	112

Note: p= preliminary

* Imputation based on preliminary OI costing studied by Lertiendumrong J. and Yenjitir C. (2004)

**For 2002 & 2003, not yet incorporate government spending under UC.

Public sector spending accounted for 81% of total AIDS expenditures. The share of household out-of-pocket spending declined from 14% in 2000, to 2% in 2003. This reduction resulted from the introduction of universal coverage which charged people living with HIV and AIDS 30 baht (US\$ 0.73) per visit, approximately 7895 (US\$ 194) baht/person/year. The proportion of AIDS spending attributable to external assistance increased from 1% in 2000, to 11% in 2003, primarily stemming from financial assistance associated with the scaling up of provision of antiretroviral drugs (Figure 1).

The shares of two public insurance schemes, namely CSMBS for government employee and dependants and SSS for private sector employees slightly increased from 2% each, in 2000, to 3% each in 2003.

Policy Implications/Recommendations

Spending on HIV and AIDS has shifted significantly in recent years toward care and treatment and away from prevention services. Additional investments on HIV-prevention services are needed. Scarce national resources should be optimized by allocating funds to cost-effective proven interventions. The appropriate mix of investments in prevention, care, treatment and social mitigation are crucial policy challenges. The NAA in Thailand has provided invaluable information on resource tracking and will facilitate in determining the levels of future investment needed for the AIDS programme.

Key words

National AIDS Account, National Health Account, household expenditure on HIV/AIDS in Thailand

Funding the Fight against AIDS in Uruguay National AIDS Accounts (1997–2002)

Uruguay

Total Population	3.4 million
Adult HIV Prevalence	0.3%
HIV/AIDS infected adults and children	6,300
Life Expectancy at Birth	75 years

* 2001 Data

Uruguay is one of the four countries of the MERCOSUR Community (the Common Market of the South, an economic integration project that also includes Argentina, Brazil and Paraguay). The vast majority (91%) of the population lives in urban areas, including 42% in the capital city, Montevideo. Uruguay has a very high level of literacy. Because the national economy is closely linked to Argentina's, the Argentinean economic crisis has had a profound effect on Uruguay, as reflected in a national unemployment of 17% (2002).

An estimated 6 000 people are living with HIV and AIDS in Uruguay. A national AIDS programme exists within the Ministry of Health and facilitates and supports the engagement of other government ministries in the national AIDS response. A National Forum of AIDS-focused nongovernmental organizations (NGOs) was established in 2001, with the aim of coordinating NGO activities. National law provides for universal access to antiretroviral therapy. Through the Ministry of Health, the social security system and private insurance, the country provides treatment for 100% of those who meet the technical criteria for antiretroviral drugs. The national response benefits from strong political commitment on HIV and AIDS and impressive social mobilization in the main urban areas.

Objective

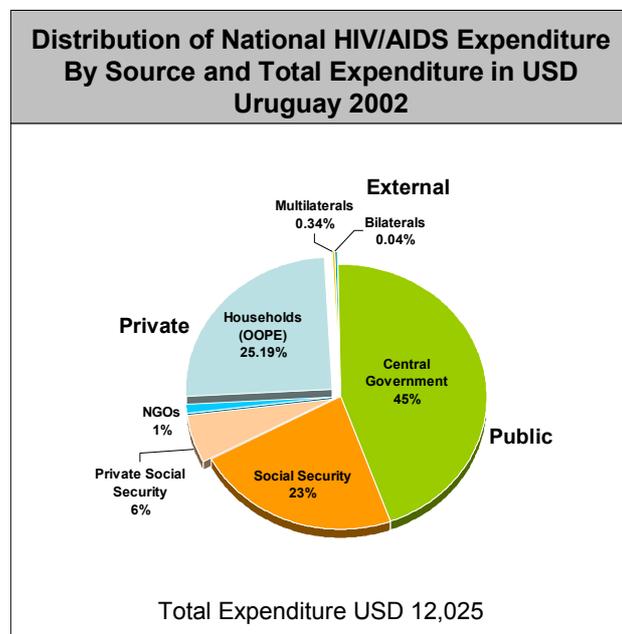
Uruguay was one of the first countries to develop National AIDS Accounts (NAA). The experience from this country along with three others in 1997–1998, helped standardize the NAA for application in other Latin American and Caribbean countries. The NAA seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

Methodology

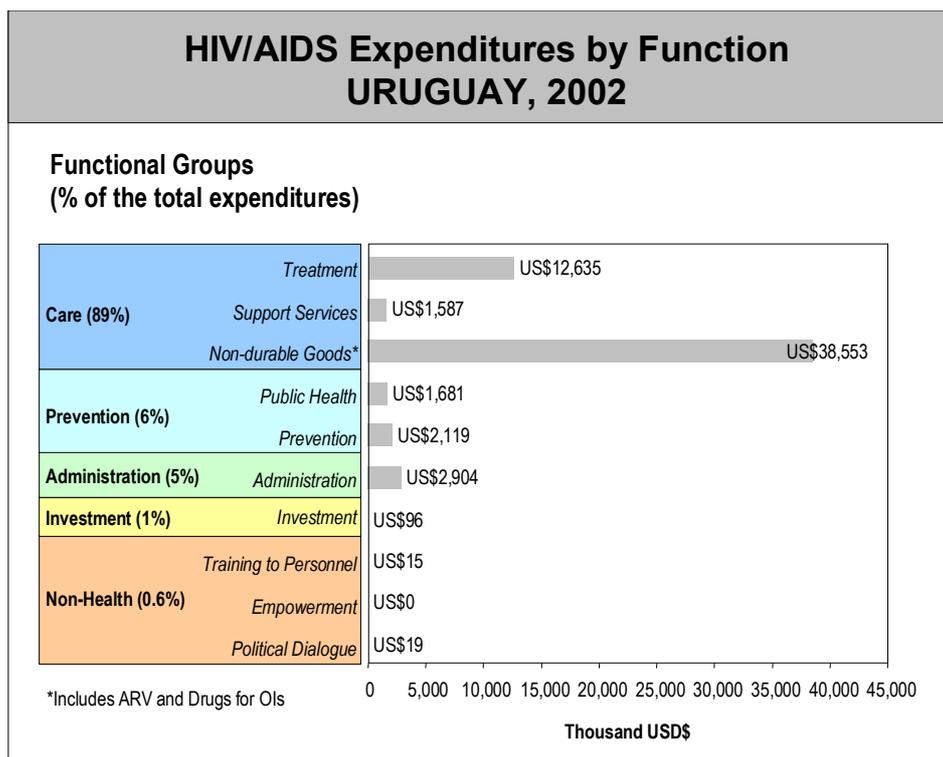
This analysis used the NAA approach, as described on page 3. The latest available estimates for Uruguay are from 2002.

Key Findings

Total AIDS expenditure in Uruguay has declined from US\$ 23 million in 1999 to US\$ 12 million in 2002. Two factors appear to account for this reduction, the significant decline in antiretroviral drug prices (a similar number of individuals continue under medical treatment according to the epidemiological estimates) and a 50% reduction in expenditure on the country's purchase of condoms.



The public sector accounts for 68% of AIDS expenditures, with the private sector contributing the remainder (32%). Household contributions accounted for more than three quarters of private AIDS expenditures. Although public financing has remained relatively stable, private expenditures on AIDS have decreased significantly. The weakening of national prevention efforts on HIV and AIDS and sexually transmitted infections have contributed to the overall decline in AIDS spending.



Policy Implications/Recommendations

The analysis of resources used in Uruguay in response to AIDS, allows the estimation of savings due to the reduction in prices of antiretroviral drugs, however, the same method also allows estimating the reduction in preventive actions.

Despite the changes in administration the execution of NAA must be continued to provide information of the impact of the policy changes and recognition of successes in the response to AIDS.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, external aid for HIV/AIDS.

Funding the Fight against AIDS in Venezuela National AIDS Accounts (1999–2002)

Venezuela

Total Population	24 million
Adult HIV Prevalence	0.5%
HIV/AIDS infected adults and children	-
Life Expectancy at Birth	73.5 years

* 2001 Data

Venezuela, one of the five countries in the Andean Region, has a population of 23.5 million. In recent years, the national population has grown by 2.4% annually. More than 10 000 people living with HIV and AIDS currently receive free antiretroviral medication. To date, external sources have made only limited contributions to the national AIDS response. Over the last two years, the country has experienced major social and political changes. Venezuela has identified AIDS as one of its priority health problems, implementing a multisectoral response that involves various ministries and civil society. Venezuela's commitment to universal access to care and medication for people living with HIV and AIDS absorbs most HIV and AIDS resources.

Objective

The National AIDS Account (NAA) seeks to estimate financing and expenditures on AIDS, strengthen national capacity to monitor resource flows on AIDS, and accelerate progress toward development of a continual information system that will benefit national efforts to prioritize AIDS spending. The NAA describes the magnitude of AIDS financing, the source of such expenditures, mechanisms for AIDS financing, and the beneficiaries of goods and services created through such financing.

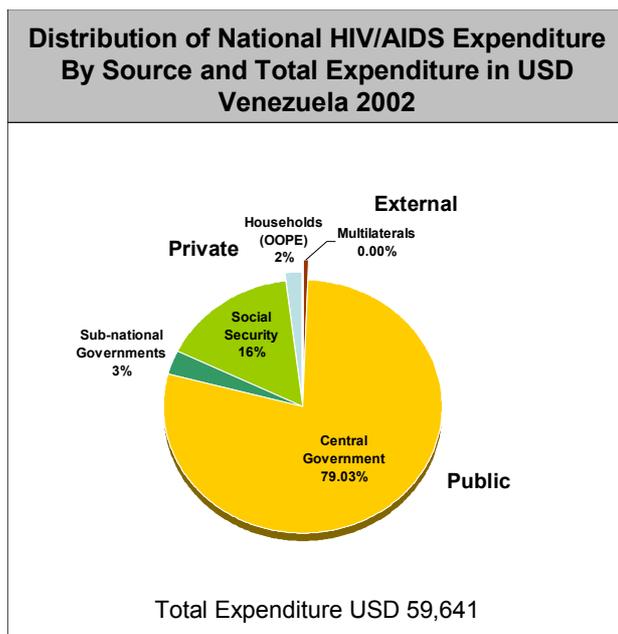
Methodology

This analysis used the NAA approach, as described on page 3. The latest available estimates for Venezuela are from 2002.

Key Findings

In 2002, total AIDS expenditures in Venezuela amounted to US\$ 73.3 million compared to US \$ 64.9 million in 2001. The public sector accounted for US\$ 70 million of AIDS spending: out of this subtotal, 54% from the Central government (Ministry of Health) provides, 29.7% from sub-national governments, and 14% from social security. The private sector contributed almost 1% for the out-of-pocket expenditure and nongovernmental organizations each. of the total expenditures. Multilateral institutions contribute 0.2% of total expenditure.

Most AIDS financing (81% or US\$ 59 734 914) supports the provision of personal health care services, with the largest allocations focusing on hospital care (46%) and antiretroviral drugs (52%). Public health and prevention activities account for US\$ 9.9 million, or 13% of the total AIDS expenditures. Key spending items for prevention



include blood safety measures (US\$ 5.9 million), diagnosis and treatment of sexually transmitted infections (US\$ 2.6 million); epidemiologic surveillance (US\$ 918 305), and condoms (US\$ 211 282). Training of health-care workers and other health-related activities consumed US\$ 154 829 of national AIDS spending.

Policy Implications/Recommendations

Since the country is providing for the majority of expenditures on AIDS, an in-depth analysis must be conducted to further explore the reasons for lack of involvement of the private sector. Also, because of the lack of investment from international sources, there is a greater need to conduct precise cost-benefit analyses to optimize the public use of the funds.

Key words

National AIDS Accounts, Resource Tracking of AIDS funding, External aid for HIV/AIDS.

Funding the Fight against AIDS in Zambia HIV/AIDS Sub-analysis Zambia

Zambia

Total Population	10.3 million
Adult HIV Prevalence	15.6%
HIV/AIDS infected adults and children	1.2 million
Life Expectancy at Birth	40 years

* 2001 Data

Zambia has a current HIV adult prevalence of 15.6% among a population of 10.3 million people. There are currently 1.2 million HIV-infected children and adults. The epidemic has had an enormous impact on the country resulting in a decrease of the population growth rate from 3.5 to 2.6%. Approximately 60% of the population lives in the rural setting where the HIV prevalence is increasing, especially among women—from 10% to 13%—versus 6% to 9% for men).

Objective

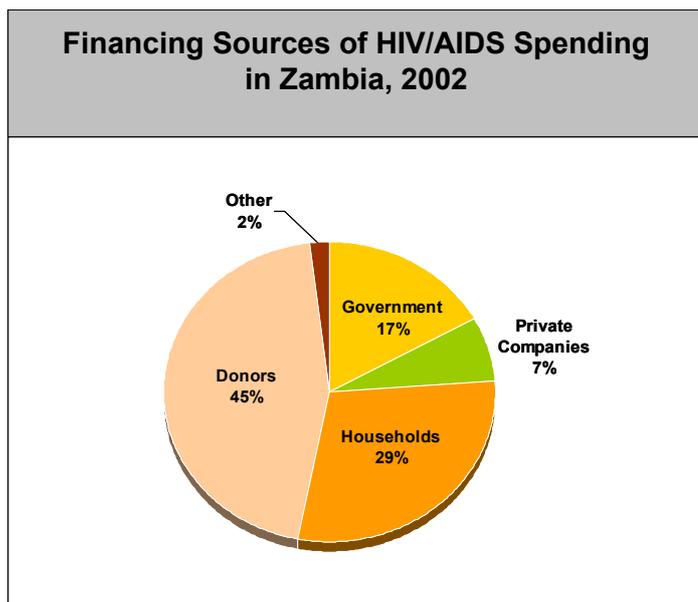
The objective of conducting the subanalysis is to provide the government with a clearer understanding of spending patterns on AIDS by all sectors of the population and ultimately to provide policymakers with evidence to make more informed decisions on allocating AIDS resources.

Methodology

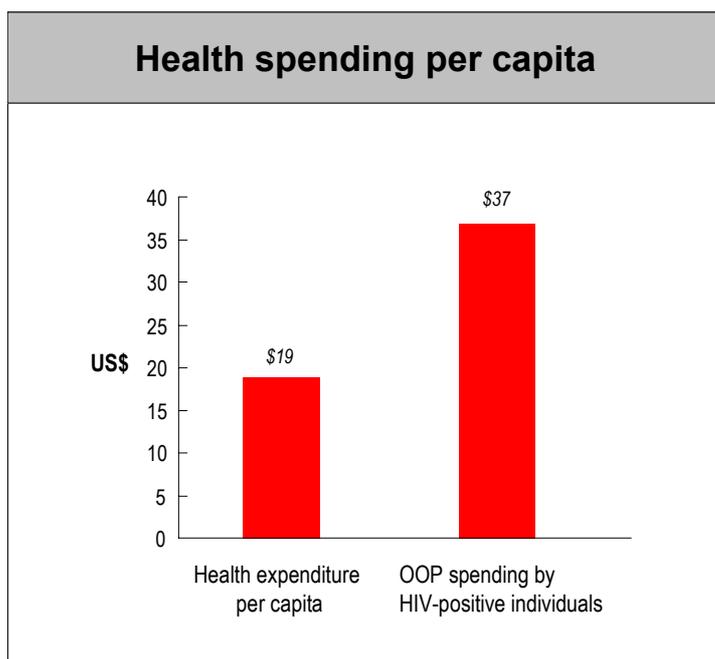
A general national health accounts (NHA) was conducted in combination with an AIDS subanalysis in Zambia using 2002 expenditure information. Data was collected in six out of the nine provinces of Zambia that reflect the overall HIV prevalence in the country (the average prevalence among the six provinces selected was 17%). Expenditure information was collected from both the private and public sector including facilities, employers, nongovernmental organizations, donors, traditional healers and pharmacies. An HIV-patient survey was implemented to collect out-of-pocket expenditure information on both inpatient and outpatient settings.

Key Findings

Preliminary NHA findings reveal that out of total health expenditures approximately 45% can be attributed to HIV and AIDS spending. Regarding the financiers of HIV and AIDS, donors and households make up the majority of HIV and AIDS financing sources. Households financed 30% of HIV and AIDS expenditures through out-of-pocket spending while the government's share was 17%.



Spending per capita out-of-pocket expenditures on health expenditures was only US\$ 4 for 2002 while HIV-positive individuals spent almost twice this amount in out-of-pocket contributions (US\$ 32).



Policy Implications and recommendations

This initial round of HIV and AIDS sub-analysis in Zambia reveals the need to increase the government's share on HIV and AIDS financing and to reduce household out-of-pocket spending.

Key Words

HIV/AIDS spending, HIV/AIDS financing, HIV/AIDS sub-analysis, Resource allocation.

The Joint United Nations Programme on HIV/AIDS (UNAIDS) brings together nine UN agencies in a common effort to fight the epidemic: the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Office on Drugs and Crime (UNODC), the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), and the World Bank.

UNAIDS, as a cosponsored programme, unites the responses to the epidemic of its nine cosponsoring organizations and supplements these efforts with special initiatives. Its purpose is to lead and assist an expansion of the international response to HIV/AIDS on all fronts. UNAIDS works with a broad range of partners – governmental and nongovernmental, business, scientific and lay – to share knowledge, skills and best practices across boundaries.

The goal of UNAIDS is to lead, strengthen and support an expanded response aimed at preventing the transmission of HIV, providing care and support, reducing the vulnerability of individuals and communities to HIV/AIDS and alleviating the impact of the epidemic. In realising this goal, UNAIDS focuses on promoting government commitment and strengthening national capacity for an expanded response to the epidemic.

Understanding the magnitude of spending on HIV/AIDS programmes, the sources of such funding, and the activities supported by such expenditures is of critical importance to policymakers, programme planners and international donors. Effective resource monitoring helps identify gaps in the response, improves the strategic ability of countries and donors to target resources most effectively, and helps measure the degree to which words of commitment on HIV/AIDS are matched by financial resources.

Countries currently use one of two approaches to track HIV/AIDS resources at the national level: 1) National AIDS Accounts (NAA) - an analysis of HIV/AIDS financing and expenditures from both the public and private sector; and 2) HIV/AIDS Budget Analysis - an analysis of the annual state budgets, health sector expenditure review and financial reports of national governments.

The purpose of this Report is to promote awareness, and articulate ways forward on the utility of monitoring National Government resources in making informed evidence-based decisions on the effective and efficient allocation of HIV/AIDS resources.



Joint United Nations Programme on HIV/AIDS

UNAIDS

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