

**Resource Needs for an Expanded  
Response to AIDS in Low and Middle  
Income Countries**

**Discussion Paper**

**‘Making the Money Work’  
The Three Ones in Action**

**London, United Kingdom, 9 March 2005**

The UNAIDS Secretariat and Cosponsors (UNAIDS) have long been advocating for the implementation of long-term sustainable strategies to reverse the spread and impact of the AIDS epidemic, and to move beyond mounting reactive responses to this complex issue.

Two key goals must be achieved. Firstly, there should be **sufficient resources** to finance a response on a scale capable of making an impact on the disease. Secondly, and equally important, those **resources must be used effectively**.

“Making the money work” is as vital as securing increased financial resources.

A review process that is likely to continue during 2005 is currently underway. Initial calculations show the gap remains as large as that identified in the report released at the 2004 Bangkok XV International AIDS Conference<sup>1</sup>, and is likely to increase over the coming years. This is despite significant new resources being made available.

Based on present projections, from 2008 more than 20 billion US dollars will be needed annually to mount a fully comprehensive response to the global AIDS epidemic. However, reaching this goal and ensuring the money can be used to best effect will prove a major challenge for all stakeholders, including the governments of affected and donor countries.

UNAIDS is committed to help mobilize the funding required for a full and comprehensive response to the global AIDS epidemic.

The review is also identifying the capacity limitations that currently inhibit faster implementation. These limitations include human and institutional capacity, infrastructure, and continued policy fragmentation at country and international level.

The global response to AIDS must move from its current levels of implementation to the point where comprehensive strategies incorporating prevention, care and treatment, services for orphaned and vulnerable children, can be rapidly and extensively expanded.

From preliminary analyses, based on observed rates of implementation to date, the following becomes apparent:

## **THE EXISTING “RESOURCE-CONSTRAINED” SITUATION**

It is estimated that in 2004 actual spending on recognised AIDS interventions in low and middle income countries reached US\$6.1 billion. This is a huge improvement over 2001 spending levels of US\$2.1 billion.

However, without significant increases in funding, current levels of availability from domestic and international sources, will peak at a projected \$ 10 billion by 2007. Financing at this level, would only raise coverage of HIV prevention initiatives to 55 per cent; the number of people on antiretroviral treatment will fall far short of internationally agreed targets and services to orphaned and vulnerable children will continue to lag behind. In many nations, the epidemic’s trajectory would be barely affected, if at all.

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<sup>1</sup> Between 2001 and 2004, working in concert with leading donors and health economists, UNAIDS disseminated three different projections of the likely future gap between anticipated funding and actual resource needs. At the XV International AIDS Conference in Bangkok in 2004, UNAIDS estimated that US\$ 11.6 billion would be needed by 2005, and US\$ 19.9 billion by 2007.

The consequences: the AIDS epidemic would continue to expand at a rapid rate and capacity to provide services would be further weakened in countries most affected by the disease. In Africa, the human resource crisis could worsen as AIDS related mortality rates further deplete the already inadequate skills base.

It is therefore necessary for the world to rapidly move from where it is now and to chart the way towards achieving the goals set out in the 2001 Declaration of Commitment adopted by the UN General Assembly.

## **ACCELERATING IMPLEMENTATION**

Preliminary calculations demonstrate that an injection of funding as set out below, would allow for a rapid acceleration in the response to AIDS. These amounts<sup>2</sup> are additional to currently projected pledges and commitments,

2005: \$ 1.4 billion

2006: \$ 2.6 billion

2007: \$ 4.2 billion

### The Impact:

Prevention services coverage would rise to 71%. Goals such as those set out in the WHO-led international "Three by Five" initiative for the number of people on antiretroviral therapy would be achieved, and the overall number of people on treatment would grow to over 6 million by 2007. Significant progress will be made towards internationally agreed goals for meeting comprehensive levels of services for children affected by AIDS, including orphaned and vulnerable children.

Two assumptions in this situation are made:

- The emergency levels of increased implementation will have enhanced capacity considerably. More trained people will be in place, drug availability will be secure and affordable, and infrastructure significantly improved.
- Additional funding, estimated at over \$8 billion over three years would be made available on secure and predictable terms.

While this is ambitious it would still not reach the levels of programme coverage required for a truly comprehensive response to the epidemic. It should only be seen as an interim 'building-block', aimed at creating a foundation for a more sustained and sustainable response beyond 2007.

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<sup>2</sup> These amounts are based on the assumption that programmes to support services to children affected by AIDS, including orphaned and vulnerable children are only partially financed from AIDS budgets with most finance derived elsewhere. These amounts could increase if all of these services were to be financed by AIDS budgets.

## **CAPACITY ENHANCED RESPONSE**

In order to achieve the vision of a fully scaled up response, effective longer term strategies will have been put in place to overcome underlying capacity limitations, especially in countries most affected by AIDS.

In Africa particularly programmes aimed at addressing the human capacity crisis will have commenced on an appropriate scale.

Greater harmonization at country and international level will have been achieved.

By the end of 2007 there will be an increasing readiness to effectively utilise funds in excess of \$20 billion annually.

Responding to AIDS will have been integrated in the planning of affected countries and become an essential element of sustainable development, in line with the Millennium Development Goals.

Accelerated implementation of AIDS programmes will have raised the coverage of services to far more comprehensive levels than ever before.

The goal is to make major progress towards:

- Achieving universal access to antiretroviral treatment.
- Providing full coverage of services for children affected by AIDS, including orphaned and vulnerable children
- Making prevention services accessible to all who need them.

## **THE RESOURCE GAP**

Moving from current (2004) levels of implementation, onto a path of sustained scaling up of AIDS responses by 2008 will require the following minimum levels of year-on-year increases in funding. Funding will be sourced from a variety of sources, including international donors and national budgets.

<b>Year</b>	<b>Need (\$US billions)</b>	<b>Projected Availability</b>	<b>Projected Shortfall</b>
2005	9.7	8.3	1.4
2006	11.6	9.0	2.6
2007	14.2	10.0	4.2
2008	20.0	*	*

### Notes:

1. The availability of funding beyond 2007 has not yet been forecast.
2. The amounts stated above assume that programmes to support services for children affected by AIDS, including orphaned and vulnerable children are only partially financed from AIDS budgets and the majority of financing will be derived from other sources. These amounts could increase if all of these services were to be financed by AIDS budgets

## **CONCLUSION**

The 9 March 2005 'Making the Money Work' meeting in London is an important step in a series of discussions and consultations leading up to the 2006 review of the 2001 UN General Assembly Declaration on AIDS.

It is also intended to feed into and inform the Global Fund to Fight AIDS, Tuberculosis and Malaria's replenishment process and other events where decisions will be considered about financing the broader AIDS response.

Estimates of resources and projections of funding available will have to be dynamic. The environment is evolving rapidly and new information is constantly becoming available. A number of key events will influence the process, including updated reports on the progress being made by countries to achieve their national '3by5' targets.

The UNAIDS Secretariat and its cosponsors will continue to ensure broad dialogue on both resource mobilization efforts and the capacity challenges that must be overcome to create the conditions for a truly comprehensive response. With that in mind, a series of special consultations with all relevant stakeholders are planned for 2005.