



Joint United Nations Programme on HIV/AIDS

**UNAIDS**

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## **REPORT ON THE STATE OF HIV/AIDS FINANCING**

(Revised/Updated March 2003)

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## INTRODUCTION

The purposes of UNAIDS resource tracking efforts are:

- To support resource mobilization efforts, through elaboration of the global gap between HIV/AIDS financial needs and availability and,
- To identify, within available resources, sectoral and geographic shortfalls for use in program coordination.

Since the inception of the WHO Global Programme on AIDS in 1987, there has been intermittent work to quantify and sectorally disaggregate the financing of HIV/AIDS programming in developing countries. Systemic and political issues have substantively impaired these efforts. UNAIDS' own work in this area, grounded in direction set out in specific PCB recommendations,<sup>1</sup> marks the first attempt to establish the tracking of HIV/AIDS financing as a sustained institutional pursuit. By this approach, the Secretariat aims to overcome some of the limitations of previous undertakings.

The increased political commitment of the past four years to the fight against AIDS worldwide has magnified the task at hand. Follow-up to the International Partnership Against AIDS in Africa, the January 2000 U.N. Security Council meeting on AIDS, the Secretary-General's Call to Action and the U.N. General Assembly Special Session has produced a virtual two-year doubling of international financial commitments to HIV/AIDS work in the developing world. This in turn presents the challenges, among others, of translating these new commitments into genuine on-the-ground spending, of coordinating the expanded programming which will result, and of sustaining the financial trendlines of the past four years on their upward path. To support future policy decisions, financial data demands can be expected to accelerate. The Secretariat's ongoing resource-tracking work is directed first and foremost at meeting these demands on the part of U.N., national, and non-governmental policy-makers.

The Secretary General's call to reach annual HIV/AIDS spending of \$10 billion by 2005 is underpinned by a number of programmatic and financial assumptions, some of which affect the direction of the Secretariat's resource tracking efforts. Important among these is the definitional premise that HIV/AIDS assistance *per se* consists of projects and activities in multiple sectors other than health.

Also central is the assumption, based on overall relative economic capacity, that one-half to two-thirds of necessary HIV/AIDS financing in the developing world will need to derive from external sources. In practical terms, this means that the Secretariat will always be tracking an overall HIV/AIDS financing gap divided into two distinct subsets – national and international -- defined according to original source.

A further critical consideration is the reality of substantial disparities between HIV/AIDS financial needs and availability, as well as between needs and programming capacity. For the most part, the costs of needed infrastructure/capacity-building are held to apply to the

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<sup>1</sup> See endnote.

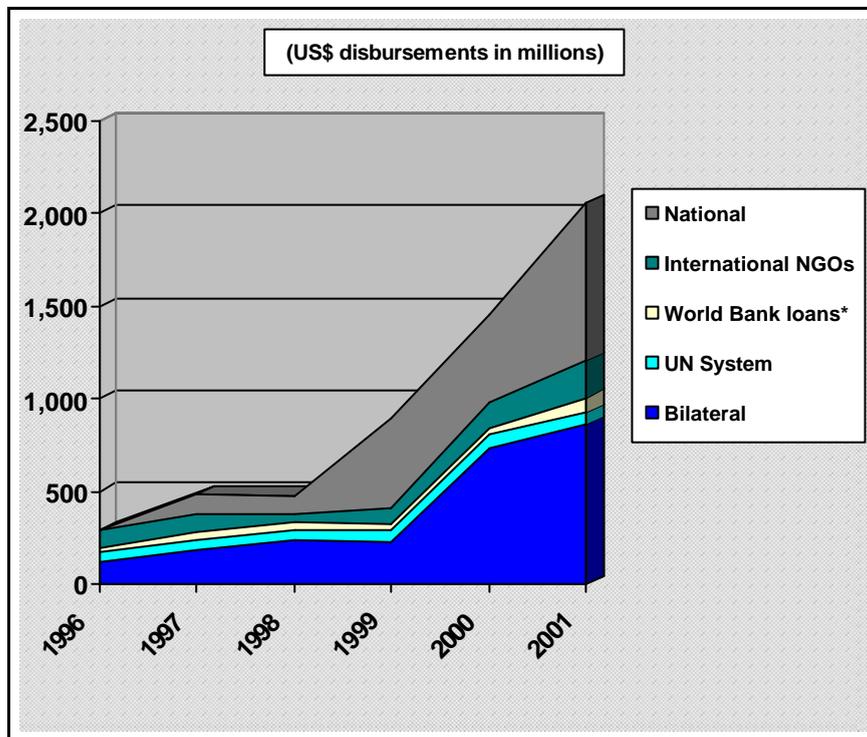
entirety of development pursuits, as opposed to HIV/AIDS specifically, and will thus be additional to estimates of HIV/AIDS assistance costs articulated by the Secretariat.

### SUMMARY OF CONCLUSIONS

#### 1. Financial Status

Based on analysis of DAC<sup>2</sup> government, U.N. System organization, Development Bank, foundation and NGO data collected to date, international HIV/AIDS spending in developing countries and countries in transition grew significantly from 1996 through 2001, to a total of nearly \$1.2 billion. At the same time, national spending on the part of affected-country governments is estimated to have approached \$850 million. Figure 1 illustrates these trends.

Figure 1. International HIV/AIDS spending 1996-2001

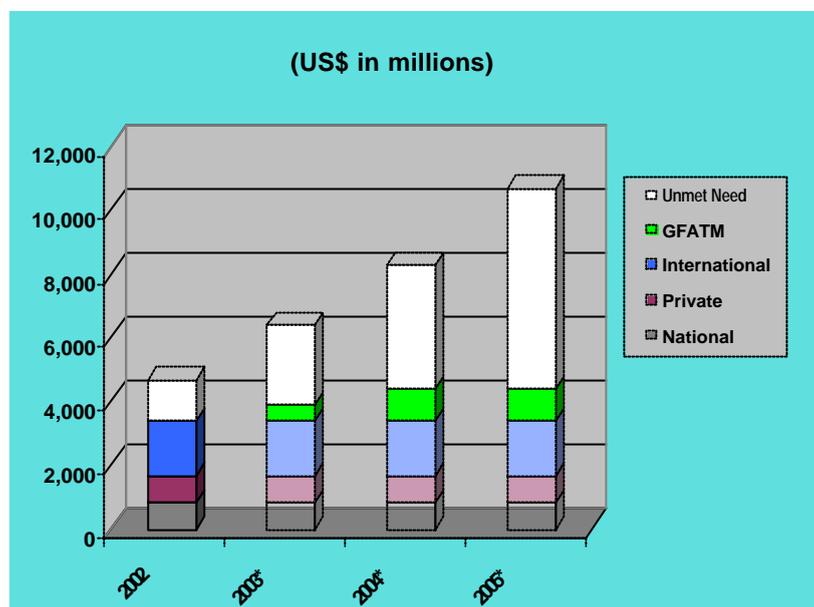


\*Grant component of concessional loan disbursements.

It can already be anticipated that year 2002 data will show still further increases. Based on analysis of budgets approved by legislatures or forecast thus far, new availability is likely to have surpassed the \$3 billion mark for 2002. There are as yet, however, no indications of budgetary actions sufficient to fund programming approaching capacity levels anticipated for 2003 and beyond. Figure 2 summarizes the current projections of the 2002-2005 funding situation.

<sup>2</sup> Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD).

Figure 2. Projected HIV/AIDS resource availability 2002-2005.



\* Assumes continuation of 2002 budget levels.  
 Shaded = Budgets not yet enacted.

## 2. Systemic Issues and Future Actions

The current report represents a first effort to introduce projection reporting – i.e. the systematic collection of information on estimates of future spending -- for HIV/AIDS financing. This effort has been particularly challenged by limitations on the ability of many financing entities to disaggregate such estimates, and by methodological disconnects between statistical reporting and budgeting.

Data quality is further limited by:

- differing statutory fiscal constructs and terminology, chiefly among bilateral donors, which act to the detriment of comparability;
- disconnects between policy decision-makers and financial administrators;
- bilateral budget formulation carried out for the most as closed deliberative processes of government, with limited coordination on budget methodologies; and
- a widening gap between accelerating demands for financial information on the part of policy-makers, and the new investments in financial management information systems needed to satisfy them.

To help address these issues, a Finance Reference Group will be formally convened by the Secretariat with the objective of developing consensus recommendations to deal with financial systems and methodological issues.

## TRENDS IN HIV/AIDS RESOURCE FLOWS

Documented data collection activities – beginning with a summary of **1986-91** international financing for HIV/AIDS prevention and care activities in the developing world – date back to early efforts of the WHO Global Programme on AIDS<sup>3</sup>. International financing for AIDS work in developing countries was documented to have totalled a cumulative \$864 million during this period, underpinned by steady increases (from \$53 million in 1987 to \$255 million in 1990) in bilateral and multilateral funding. During this period bilateral ODA funding represented \$667.5 million (79 per cent) of all support for GPA's global AIDS strategy with eight donor countries accounting for almost the entirety of this amount. Estimates of U.N. system HIV/AIDS funding during this period totalled \$105.8 million, including \$50 million in grant expenditures worldwide and a further \$55.8 million in World Bank commitments for AIDS prevention and control projects in 13 developing countries.

In **1993**, a resource-tracking study<sup>4</sup> directed at donors and National AIDS Programs, conducted by the Global AIDS Policy Coalition, reported a total of \$226 million made available by donors and channeled to National AIDS Programs around the world.

In **1997**, a study undertaken by the Francois-Xavier Bagnoud Center for Health and Human Rights of the Harvard School of Public Health,<sup>5</sup> in collaboration with UNAIDS, documented total HIV/AIDS ODA commitments of \$315 million in 1996 and \$280.3 million in 1997.<sup>6</sup> The study highlighted a series of issues that needed to be addressed in the development of a monitoring system on national and international HIV/AIDS financing, and some major limitations in the tracking of HIV/AIDS resource flows, including:

- shortcomings in capacity to monitor HIV/AIDS resource flows, and systems needing further development to fully understand these resource flows at national and international levels;
- structures in UN agencies and national programmes impeding the tracking of actual expenditure on HIV/AIDS; and
- limitations to the identification of HIV/AIDS resources integrated in broader programmes, such as maternal and child health or education.

Data on DAC Members' bilateral aid to HIV/AIDS have been collected in the Creditor Reporting System of the DAC since the beginning of the 1990s. A total of US\$ 1.3 billion of bilateral ODA commitments to HIV/AIDS were reported in 1996-2000.

In **1999**, the UNAIDS Secretariat entered into an ongoing collaboration with UNFPA and the Netherlands Interdisciplinary Demographic Institute (NIDI) – the '*Resource Flows Project*'. Under the aegis of this collaboration, financial data is collected concurrently to

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<sup>3</sup> Mann, Tarantola & Netter, *AIDS in the World*, Harvard University Press, 1992.

<sup>4</sup> UNAIDS NAP Funding Trends in Africa – Briefing Package.

<sup>5</sup> As a follow-up to the 1997 UNAIDS Programme Coordination Board (PCB) recommendation

<sup>6</sup> Ernberg, Tarantola, et. al., "*Level and Flow of International and National sources for the response to HIV/AIDS 1996-1997*" (UNAIDS, 1999). N.B.: 1997 data incomplete.

track follow-up of both the ICPD<sup>7</sup> and the UNGASS Declaration of Commitment on HIV/AIDS.<sup>8</sup> Data collection is undertaken annually for international donors and biennially on domestic resource flows in Developing Countries and Countries in transition. Since March of 2000, the Secretariat has also supplemented this work with direct inquiries as needed. Table 1 provides a partial overview of data acquired both via the NIDI data collection efforts between 1996 and 1999, and other work from 2000 onwards:

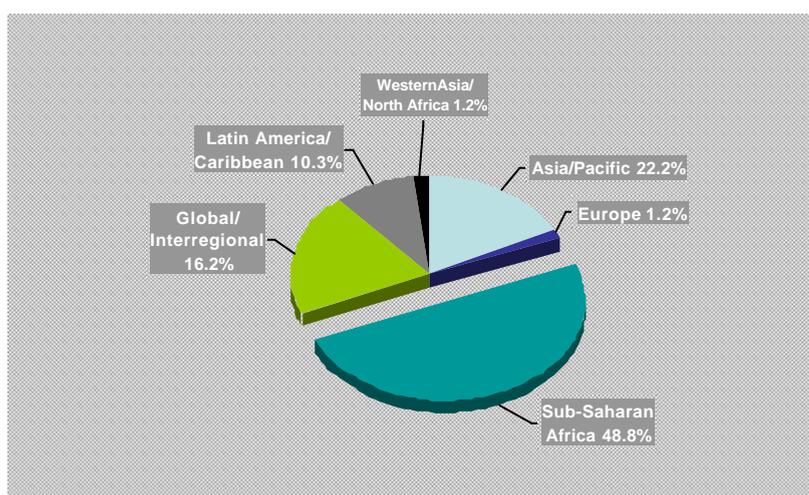
**Table 1. International HIV/AIDS spending 1996-2001.**  
US\$ HIV/AIDS program disbursements in millions)

	1996	1997	1998	1999	2000	2001
<b>Bilateral &amp; EC</b>	116	183	237	229*	735	860
<b>International Foundations/NGOs</b>	96	97	37	87	136	200
<b>UN System<sup>9</sup></b>	60	60	60	60	70	70
<b>World Bank Loans<sup>†</sup></b>	25	25	25	35	35	78
<b>TOTAL</b>	<b>297</b>	<b>365</b>	<b>359</b>	<b>411</b>	<b>976</b>	<b>1,208</b>

\*1999 bilateral data incomplete. †GEV of concessional World Bank loan disbursements.

In terms of geographic distribution, in both 1999 and 2000 Sub-Saharan Africa benefited from the largest percentage of HIV/AIDS assistance by International Donors, with Asia Pacific ranking second. Figure 3 provides a geographic breakdown of year 1999 international funding.

**Figure 3. Regional distribution of HIV/AIDS ODA disbursements for selected donor countries.**



<sup>7</sup> International Conference on Population & Development, Cairo, 1995.

<sup>8</sup> Started in data collection efforts for fiscal year 2001.

<sup>9</sup> Represents estimates only of funding not HIV/AIDS-designated by primary donors. UNSSP estimates of all flow-throughs total \$1.6 billion for the period 1996-2000.

Some bilateral HIV/AIDS funding is projectized and administered by multilateral organizations or NGOs on donors' behalf. This is particularly characteristic of some of the Scandinavian donors and Italy. Broken down by programming channel, directly-executed bilateral HIV/AIDS ODA represented 75 per cent of total activity in 1999, multilaterally administered 3 per cent, and international NGO-administered 23 per cent.

UNAIDS' most recent biennial collection and review of data on HIV/AIDS spending by affected-country national governments (through the Resource Flows project) was executed in 1999. In the context of this exercise, governments reported 1999 spending totalling \$474 million, up from \$105 million estimated two years earlier. National NGO HIV/AIDS expenditure in affected countries was simultaneously estimated to have increased to approximately \$26 million in 1999 from \$23 million in 1997.<sup>10</sup>

### **ESTIMATES OF NATIONAL PROGRAMMING CAPACITY**

Three analyses have been conducted over the last two years to estimate resource needs for HIV/AIDS. The Commission on Macroeconomics and Health (CMH) estimated the scaling up of resources needed in the form of a package of interventions to address HIV/AIDS and other illnesses in 83 low and middle income countries by 2007 and 2015. The CMH study suggested a need by the year 2007 for estimated additional spending of between \$13.6 billion and \$15.4 billion on HIV/AIDS prevention and care, with the increase by 2015 reaching \$20.6 billion to \$24.9 billion.<sup>11</sup>

The paper "*Resource Needs for HIV/AIDS*," authored by a UNAIDS-led collaboration and published during the spring 2001 lead-up to the General Assembly Special Session (UNGASS) on AIDS, set out estimates of national programming capacity totalling \$9.2 billion by 2005.<sup>12</sup> As updated in the paper "*Financial Resources for HIV/AIDS Programmes in low- and middle-income Countries over the Next Five Years*," the UNGASS work provides the principal basis for programming capacity against which resource availability is compared in this analysis.<sup>13</sup>

The UNAIDS programming capacity analysis compiled country-by-country projections of financing required to meet the policy goals set out in the Declaration of Commitment approved at the UNGASS in July 2001. Required programme coverage was calculated on the basis of country-specific HIV/AIDS prevalence, and unit costs of a package of interventions for each country. Total resources required to finance the estimates of national programming capacity thus compiled are projected to amount to approximately \$10.7 billion by 2005 and \$14.9 billion by 2007, disaggregated as follows:

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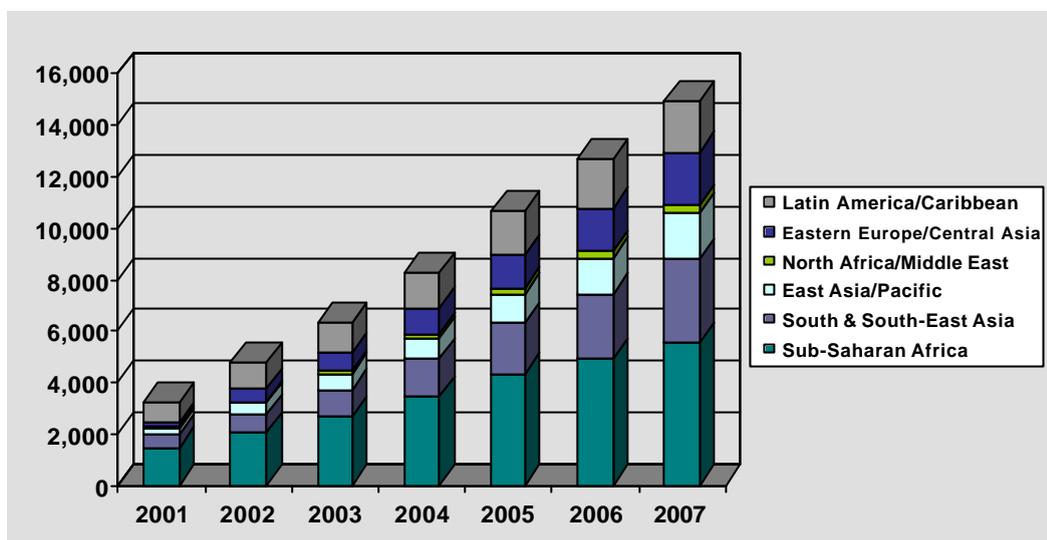
<sup>10</sup> Indications of significant underreporting were noted.

<sup>11</sup> WHO, "*Investing in Health for Economic Development*," report of the Commission on Macroeconomics and Health, Geneva, 2001. Includes costs attributable to capacity building.

<sup>12</sup> Schwartlander, et. al., *op cit*.

<sup>13</sup> Submitted to the UNAIDS Program Coordinating Board at its 13<sup>th</sup> meeting, December 11-12, 2002.

Figure 4. Projected Annual HIV/AIDS Financing Need by Region  
(US\$ in millions)



Consistent with this analytical framework, programming capacity is projected to gradually ramp up, requiring \$4.7 billion in 2002, \$6.4 billion in 2003 and \$8.3 billion in 2004. In this context the term “limitations on programming capacity” is taken to refer to impediments such as inadequacies of capital infrastructure (e.g. physical health facilities and transportation assets) or in human capacity, for example in terms of underavailability of trained health personnel.

The June 2001 analysis also assumed that some degree of domestic financing would be universal. Variances in domestic financing prospects are significant among both economic categories of countries and regions, with an assumption that in Africa, for example, 80 per cent of HIV/AIDS programming would require external financial support. In the aggregate, however, it was assumed that a minimum of approximately one-third of necessary financing could reasonably be mobilized domestically. The residual two-thirds would be source-attributable to international donors, public and private.

#### ANALYSIS OF CURRENT SPENDING

Applying this ratio to the above-cited 2002 and 2003 programming capacity estimates translates into a need for international financing of \$3.2 billion and \$4.2 billion respectively, assuming optimal distribution of resources. Current trends indicate that DAC governments, multilateral institutions (including U.N. system organizations) and international foundations and NGOs are on track to approach a \$2 billion mark for 2002, and over half of the \$4.2 billion mark for 2003. Financing – exceeding two billion dollars – to meet remaining 2003 capacity is largely unidentified. Table 3 summarizes the 2001-

2002 situation in terms of documented and projected international spending *for which funding is appropriated/available*.<sup>14</sup>

**Table 2. Documented and projected international HIV/AIDS spending for which funding is appropriated/available.**

(US\$ projected HIV/AIDS program disbursements in millions)

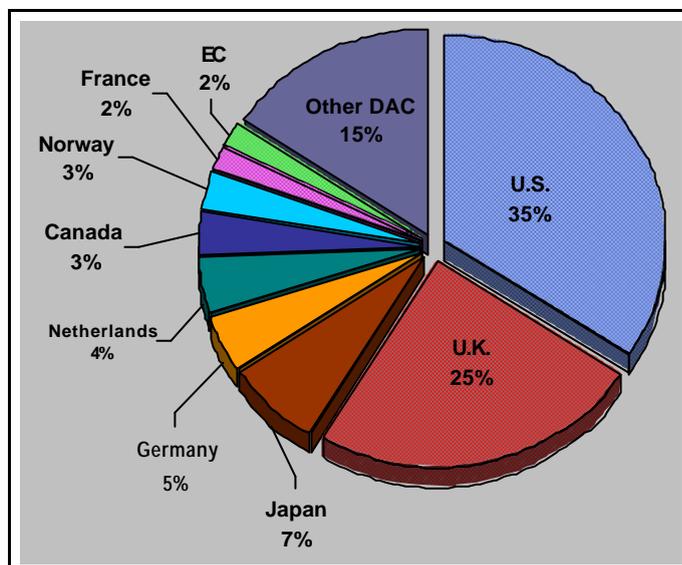
	2000	2001	2002
<b>G-7</b>	536	647	940
<b>Other DAC &amp; EC</b>	199	213	289
<b>U.N. System</b>	70	70	150
<b>World Bank</b>	35	78	95
<b>Foundations/NGOs</b>	136	200	200
<b>TOTAL PROJECTED DISBURSEMENTS</b>	<b>976</b>	<b>1,208</b>	<b>1,674</b>

The magnitude (89%) of projected disbursement increases from 2000 to 2002 is, in percentage terms, obviously significant.<sup>15</sup> In terms of 2002 bilateral programming, over four-fifths of known projected disbursements are attributable from among the top nine donors, as follows:

**Table 3/Figure 5. 2002 projected disbursements by top bilateral donors.**

(US\$ in millions)

	Budgeted	Projected Disbursements
<b>U.S.</b>	<b>637.3</b>	<b>420.5</b>
<b>U.K.</b>	<b>313.2</b>	<b>300</b>
<b>Japan</b>	<b>90</b>	<b>85</b>
<b>Germany</b>	<b>70.1</b>	<b>55.0</b>
<b>Netherlands</b>	<b>67.0</b>	<b>55.0</b>
<b>Canada</b>	<b>39.1</b>	<b>39.1</b>
<b>Norway</b>	<b>34.6</b>	<b>34.6</b>
<b>France</b>	<b>30.9</b>	<b>25.0</b>
<b>EC</b>	<b>28.35</b>	<b>25.0</b>
<b>Other</b>	<b>196</b>	<b>190</b>
<b>TOTAL</b>	<b>1,506.6</b>	<b>1229.2</b>



<sup>14</sup> The term “appropriated/available” applies only to amounts for which all necessary statutory action -- in terms of appropriations, *lois des finances*, supply bills or similar measures approved by legislatures – and all prerequisite budget execution actions, such as apportionment, allocation or the equivalent, are complete.

<sup>15</sup> New budget authority totals \$1.675 billion for 2001 and \$2.2 billion for 2002. Projected disbursements overlap budget years, owing primarily to U.S., German, French and Netherlands forward-funding constructs: First-year U.S. and German ODA spendout rates, in particular, characteristically fall into the ten-percent range, with the balance committed against the outyears of multiyear projects.

In the cases of all of the G-7 and ten of the other DAC governments analyzed, the increases have been supplemented by disbursements deriving from first- or second-year GFATM (Global Fund to Fight AIDS, TB & Malaria) pledges. With few exceptions, all GFATM pledges have been documented to be additive to baseline HIV/AIDS funding. The EC has also disbursed \$62.6 million in immediately available funds to the GFATM.

Expectations regarding how much of the HIV/AIDS “gap” will be closed by GFATM expenditures have been adjusted by projections of Fund resources to be allocated to TB and malaria activities. The preceding assumes that committed resources will be made available to the Fund on a timely basis, and that necessary fiduciary arrangements will be concluded during the next quarter in a sufficient number of countries, to enable execution this year of a substantial number of the approximately \$900 million worth of HIV/AIDS grants approved by the Fund’s Board thus far.

35 governments were documented to have made actual disbursements to the Fund totalling nearly \$830 million as of January 15. More than \$51 million in private funding has also been collected. In addition, the amounts of money available to governments for immediate disbursement and specifically identified for fulfilment of 2002-2004 pledges are likely sufficient to meet current expectations of 2003 and 2004 Fund expenditures.<sup>16</sup>

Table 4/Figure 6 summarize availability of Fund pledges by year:<sup>17</sup>

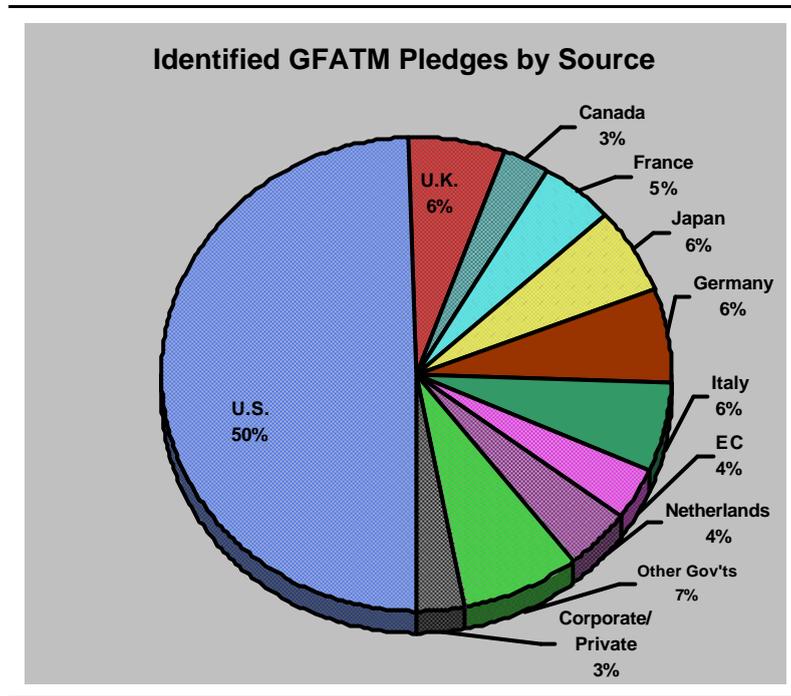
#### Availability of GFATM Pledges by Fiscal Year

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DONOR	Total Pledge @ Currency/Origin	US\$ Equivalent Total	Deposited	Available/Undeposited		Pledged			
				2002	2003	2004	2005	2006	2007-8 or Unknown
GOVERNMENTS		\$3,249,322,802	\$853,752,903	\$25,000,000	\$694,966,491	\$384,095,502	\$325,898,606	\$235,000,000	\$730,609,300
PRIVATE ORGANIZATIONS		\$102,856,391	\$51,356,391	\$0	\$0	\$0	\$0	\$0	\$51,500,000
INDIVIDUALS (607)		\$1,461,805	\$1,461,805						
<b>TOTAL AVAILABILITY (gross)</b>		<b>\$3,353,640,998</b>	<b>\$906,571,099</b>	<b>\$25,000,000</b>	<b>\$694,966,491</b>	<b>\$384,095,502</b>	<b>\$325,898,606</b>	<b>\$235,000,000</b>	<b>\$782,109,300</b>

<sup>16</sup> See note 11.

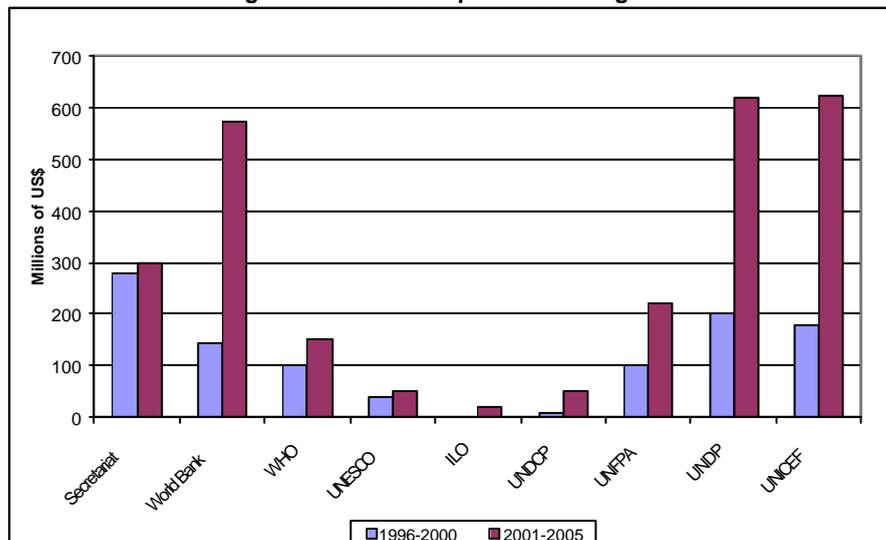
<sup>17</sup> Complete supporting data see table at Annex 1.



U.N. system organization HIV/AIDS spending by selected agencies, according to the UBW and updated UNSSP reporting, can be expected to total in the range of \$350 million in 2002. Of this amount, however, only about \$150 million -- corresponding significantly to regular budget spending supported by undesignated treaty contributions -- can be considered multilateral in origin. The remainder is HIV/AIDS designated by and attributed to contributing governments for tracking purposes.

Figure 6 illustrates UNSSP estimates of Cosponsor spending during the period 2001-2005, compared with the prior quinquennium.

Figure 7. UNSSP Cosponsor funding 1996-2005.



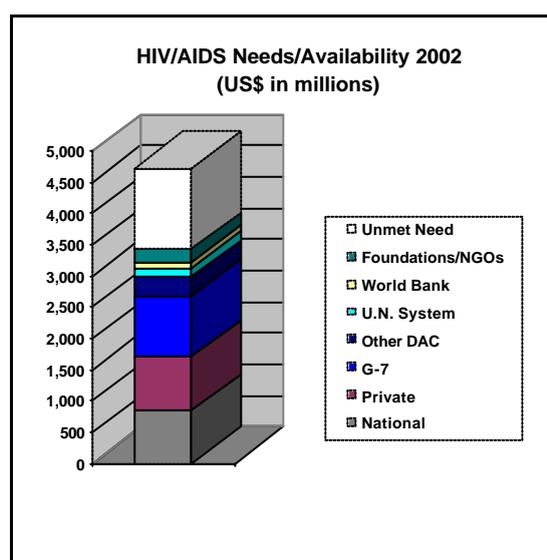
World Bank concessional loan disbursements are projected to total in excess of \$95 million in grant-equivalency value during the bank's 2002 fiscal year which began July 1.<sup>18</sup> The regional development banks (MDBs) are another significant potential source of funding in the form of concessional loans. As of now, however, documented MDB HIV/AIDS activities consist of isolated loans and medium-sized grants.

Data on HIV/AIDS spending by international foundations and NGOs is incomplete. The UNAIDS Secretariat was able to document a total of some 136 million dollars in such spending in the context of year 2000 survey activities, focused on some 20 international foundations and NGOs known to execute significant HIV/AIDS disbursements. Similarly, reports of national spending by developing-country governments have been noted but have not been systematically reviewed using the procedures and analytical criteria applied to international donor spending.

To address these information gaps, this year's UNAIDS/UNFPA/NIDI international data collection cycle, already begun, will comprise additional target foundations and NGOs. Regarding national spending, the collaboration launched on April 6<sup>th</sup> its 2002 biennial data collection effort. In-country follow-up case studies have been undertaken for two priority countries -- Nigeria and Thailand -- this year, and a feasibility study on data collection at the local/regional level in China is planned for 2003.

Data limitations acknowledged, current UNAIDS Secretariat projects, as of this writing, that year 2002 global HIV/AIDS spending in developing countries and countries in transition totalled approximately \$3 billion, against programming capacity of \$4.7 billion. Figure 7 summarizes this situation:

Figure 8. 2002 HIV/AIDS Programming capacity vs. availability.



<sup>18</sup>Board-approved HIV/AIDS concessional loan executions for the Bank's 2002 fiscal year are projected to total a pproximately \$580 million, with an average grant component value of approximately 65 per cent. In addition, Board approved IBRD non-concessional HIV/AIDS lending was projected to total \$170 million.

## SYSTEMIC ISSUES AND FUTURE ACTIONS

The rapidly evolving state of the HIV/AIDS crisis and programming to address it has evoked needs for much more current financial data. This report represents a first effort to introduce projection reporting – i.e. the systematic collection of information on estimates of future spending – for HIV/AIDS financing. This enables coordinated knowledge of what financing entities have already decided to spend this year and next, as opposed to what they spent in the last complete fiscal year.

The UNAIDS Secretariat has also pursued parallel work to identify technical financial-structural impediments to improving future resource tracking. Variances in accounting and budgeting constructs have been shared among U.N. and bilateral aid agency finance officials and some changes have been adopted across agency lines with a degree of success. Among U.N. agencies, the coordinating effect of the Joint Programme has translated into compatible recording practices applicable among the Cosponsors as far as UBW core and supplemental resources are concerned at the global and regional level.

Outside the UBW framework, however, disconnects between policy decision-makers and financial administrators remain to be addressed in both bilateral and multilateral financing agencies. Some U.N. agency budgets are still presented to boards without budget-line specification of HIV/AIDS spending projections, even when HIV/AIDS figures prominently in accompanying justifications and presentations. It is unclear to what extent agency Board members have requested budgetary reformulation to clarify HIV/AIDS related expenditures. Among bilateral donors, agency budget formulation is almost universally held to be a restricted internal deliberative process of government, with information embargoed by formal directive until presented to legislatures, and coordination on budget methodologies appears to be limited. The Secretariat has identified a few innovative exceptions to this rule, the most regular of which appears to consist of informal planning exchanges under the aegis of the so-called Utstein group of Development Ministers, constituted among NORAD, DFID, BMZ and the Netherlands DGIS.

A number of significant policy issues remain among international financing entities that will require more coordinated resolution from policy makers and financial professionals if future resource tracking work is to be of the quality required to assist in guiding the response to the epidemic. They include:

- **Limitations on the ability of many financing entities to disaggregate projections of future spending**, either sectorally, sub-sectorally or geographically. This constraint is widely held among financial planners to be inherent in proposal-driven assistance programming. In other words, where proposal quality competes strongly with sectoral or geographic need as a determinant of programming, forward financial planning is necessarily weakened.

- **Inherent methodological disconnects between statistical reporting and budgeting.** In some of the larger aid agencies, retrospective external reporting is managed as a statistical exercise separated from national budgetary and fiduciary processes, with different methodological norms applying to each. As a consequence the conceptual financial framework underlying the decisions that donors make can be significantly different from that used in DAC reporting,<sup>19</sup>
- **Differing statutory fiscal conventions-- chiefly among certain bilateral donors-- which impede comparability.** Variations in permitted/required obligation<sup>20</sup> and disbursement rates, account structures and currency fluctuations produce a situation in which, for example, 400 million 2002 USAID budgeted dollars and 62 million 2002 CIDA budgeted dollars generate surprisingly comparable first-year disbursements. Differing substantive, statutory and regulatory constructs also dictate divergences in what can be recorded in a fiduciary sense as HIV/AIDS spending. At the same time, differences in financial terminology, usually statutory, regulatory or procedural (rather than linguistic) work to the detriment of comparability among financing entities.

Another significant obstacle to financial data collection at the country level derives from the wide **variance in the centralization/decentralisation of programming**. Not only does decentralization mean a fragmentation of data and methods, it can also serve to obscure the ultimate source of funding where, for example, the proceeds of a development bank loan may filter down through multiple levels of government, losing its source identity along the way. Affected-country data is presently neither captured at lower administrative levels, nor more than anecdotally collected for out-of-pocket and private sector expenditure.

Finally, there is a widening gap between accelerating demands for financial information on the part of policy-makers and the new investments in **financial management information systems (FMIS)** needed to satisfy them. As rapidly as HIV/AIDS challenges proliferate and evolve, so do the programs and activities needed to address them. Among bilateral donors, as an example, FMIS conventions have for the most part not kept up with the desirable movement to mainstream HIV/AIDS and integrated cross-sectoral programming. At the same time, the past decade has seen both a proliferation of new specialized reporting requirements and the attachment of other requirements to coordinated reporting collectives, such as the DAC/CRS regime. Either way, agency

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<sup>19</sup> In some cases where statistical and budgetary processes have been harmonized, other dysfunctions have evolved. As successively more governments have remodeled their ODA financial systems to be DAC/CRS compatible, for example, the application of required conventions has subjected HIV/AIDS reporting to a new set of anomalies. Prominent among these is the identification of HIV/AIDS health projects according to a single "HIV/AIDS and STDs" 13040 project code, with the result that the two subsets of projects can only be disaggregated either manually or via the re-establishment of DAC-extraneous accounting variations. This situation is indicative again of the need for accounting structures to evolve more rapidly to accommodate the needs of "immature" (as opposed to "mature") programming. Specific to DAC reporting, it is worth noting that the existing HIV/AIDS/STDs project code is a relatively recent (1999) innovation, approved on the basis of what was then a methodological consensus.

<sup>20</sup> Commitment, *engagement*.

FMIS modernization has in many cases lagged these additional mandates, with the consequences both of undercompliance with the new demands and quality degeneration of responses to the old. The challenge of FMIS modernisation in the developing world itself is exponentially greater, and further degeneration is a major risk. Currently, neither developing-country governments or in-country international assistance programmers are financing much more than periodic FMIS modernization. Even where FMIS remodelling has occurred, side effects have resulted. Principally, repeated and significant changes in financial definitions of what constitutes HIV/AIDS spending have worked to the detriment of comparability over time.

### **Future Actions**

The Secretariat will annually report to the PCB on the state of international HIV/AIDS financing and on actions taken to improve resource tracking. To help guide this work and as a forum to begin to address the issues outlined above, a Finance Reference Group will be formally convened by the Secretariat with the objective of developing consensus recommendations addressing financial systems and methodological issues.

**Endnote:**

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***Relevant PCB recommendations***

7<sup>th</sup> Meeting of the PCB  
UNAIDS/PCB (6)/98.3 Paras 47 and 48:

*It is recommended that UNAIDS and its' Cosponsors:*

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

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

8<sup>th</sup> Meeting of the PCB  
UNAIDS/PCB (8)/99.7 Paragraph 34:

*The PCB encouraged the Secretariat, in consultation with the Cosponsors and other partners, to continue developing a methodology to calculate the overall cost of responding to the HIV/AIDS epidemic in Africa and formulate a related resource mobilization strategy, and to establish a timetable for the implementation of the Partnership*

12<sup>th</sup> Meeting of the PCB  
UNAIDS/PCB (12)/02.6 paragraph 11:

*The PCB agreed that UNAIDS should intensify its role in advocating the mobilization of adequate and sustainable financial resources to scale up the response and in tracking global resource flows.*

## Attachment 1.

## Availability of GFATM Pledges by Fiscal Year

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DONOR	Total Pledge @ Currency/Origin	US\$ Equivalent Total	Deposited	Available/Undeposited		Pledged			
				2002	2003	2004	2005	2006	2007-8 or Unknown
<b>GOVERNMENTS</b>		<b>\$3,249,322,802</b>	<b>\$853,752,903</b>	<b>\$25,000,000</b>	<b>\$694,966,491</b>	<b>\$384,095,502</b>	<b>\$325,898,606</b>	<b>\$235,000,000</b>	<b>\$730,609,300</b>
Andorra	\$100,000	\$100,000	\$100,000						
Austria	\$1,000,000	\$1,000,000							\$1,000,000
Belgium	€18,000,000	\$19,368,000	\$12,207,409		\$7,160,591				
Burkina Faso	\$75,000	\$75,000	\$75,000						
Cameroon	\$100,000	\$100,000							\$100,000
Canada	\$100,000,000	\$100,000,000	\$70,730,000		\$22,000,000	\$7,270,000			
Denmark	DKK110,000,000	\$14,817,000	\$14,817,000						
European Commission	€120,000,000	\$129,120,000	\$64,560,000						\$64,560,000
France	€150,000,000	\$161,400,000	\$53,800,000						\$107,600,000
Germany	€200,000,000	\$215,200,000	\$11,995,200		\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000	\$63,204,800
Ireland	€12,900,000	\$12,935,000	\$9,835,000						\$3,100,000
Italy	\$200,000,000	\$200,000,000	\$108,600,000		\$91,400,000				
Japan	\$200,000,000	\$200,000,000	\$80,400,000		\$85,000,000	\$34,600,000			
Kenya	KES653,550	\$8,300	\$8,300						
Kuwait	\$1,000,000	\$1,000,000							\$1,000,000
Liberia	\$25,000	\$25,000							\$25,000
Liechtenstein	\$100,000	\$100,000	\$100,000						
Luxembourg	€3,000,000	\$3,228,000	\$1,037,500						\$2,190,500
Monaco	\$100,000	\$100,000	\$100,000						
Netherlands	€135,000,000	\$145,260,000	\$16,146,394		\$40,000,000	\$40,000,000	\$49,113,606		
Niger	\$50,000	\$50,000							\$50,000
Nigeria	\$10,000,000	\$10,000,000	\$9,081,000						\$919,000
Norway	NOK130,000,000	\$17,962,000	\$17,962,000						
Poland	\$10,000	\$10,000							\$10,000
Russia	Rbl600,000,000	\$18,850,000	\$1,000,000						\$17,850,000
Rwanda	\$1,000,000	\$1,000,000							\$1,000,000
Saudi Arabia	\$10,000,000	\$10,000,000							\$10,000,000
Spain	\$50,000,000	\$50,000,000							\$50,000,000
Sweden	SEK600,000,000	\$69,595,502	\$22,370,000		\$20,000,000	\$27,225,502			
Switzerland	\$10,000,000	\$10,000,000	\$5,594,100		\$4,405,900				
Thailand	\$5,000,000	\$5,000,000							\$5,000,000
U.K.	\$200,000,000	\$200,000,000	\$78,215,000		\$40,000,000	\$40,000,000	\$41,785,000		
U.S.	\$1,650,000,000	\$1,650,000,000	\$275,000,000	\$25,000,000	\$350,000,000	\$200,000,000	\$200,000,000	\$200,000,000	\$400,000,000
Uganda	\$2,000,000	\$2,000,000							\$2,000,000
Zambia	ZMK83,500,000	\$19,000	\$19,000						
Zimbabwe	\$1,000,000	\$1,000,000							\$1,000,000
<b>PRIVATE ORGANIZATIONS</b>		<b>\$102,856,391</b>	<b>\$51,356,391</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$51,500,000</b>
International Olympic Committee	\$100,000	\$100,000	\$100,000						
Winterthur Insurance (Credit Suisse)	\$1,000,000	\$1,000,000							\$1,000,000
Bill and Melinda Gates Foundation	\$100,000,000	\$100,000,000	\$50,000,000						\$50,000,000
Taiwan	\$1,000,000	\$1,000,000	\$1,000,000						
ENI, SpA	\$500,000	\$500,000							\$500,000
Other (45)	\$256,391	\$256,391	\$256,391						
<b>INDIVIDUALS (607)</b>		<b>\$1,461,805</b>	<b>\$1,461,805</b>						
<b>TOTAL AVAILABILITY (gross)</b>		<b>\$3,353,640,998</b>	<b>\$906,571,099</b>	<b>\$25,000,000</b>	<b>\$694,966,491</b>	<b>\$384,095,502</b>	<b>\$325,898,606</b>	<b>\$235,000,000</b>	<b>\$782,109,300</b>