

# Global Spending on HIV/AIDS: Tracking Public and Private Investments in AIDS Prevention, Care, and Research

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Early in 2001, United Nations Secretary-General Kofi Annan challenged governments to create a global fund to address the international HIV/AIDS epidemic, with an annual target of \$7 - \$10 billion.<sup>1</sup> Other health experts have reviewed and endorsed this estimate.<sup>2</sup> Consistent with the global funds estimate, UNAIDS projects that \$4.4 billion will be needed for care and support and \$4.8 billion will be needed for prevention.<sup>3</sup>

The United States, United Kingdom, and France have all made initial pledges to the fund which total less than \$1 billion. Critics have commented that donations at this level would not capitalize the fund near the annual target. Others note that these are just initial pledges that may lead to greater investments in the future.

## Better Spending Estimates Needed

In order to design a comprehensive response to the epidemic, policy makers need better estimates of current spending by function or purpose, including prevention, care and research. There are serious limitations in the data available on global HIV/AIDS spending in developing countries.

The UN Secretary General has suggested using a five-part paradigm for discussing global AIDS programming, and there are additional data needs in each of these areas. The paradigm includes 1) prevention and education, 2) mother-to-child transmission, 3) care and treatment, 4) research (including delivering scientific breakthroughs), and 5) helping affected populations, especially orphans. The policy debate would benefit from a clearer understanding of projected spending and current need in each of these five areas.

## Current Spending Estimates

UNAIDS' best estimate for current global HIV/AIDS expenditures in low- and middle-income countries is \$1.8 billion annually.<sup>3</sup> This estimate puts spending for HIV/AIDS at \$1 billion for care and support and \$0.8 billion for prevention. UNAIDS is in the process of researching current global spending on HIV/AIDS

and expects to release a report later in 2001. Estimates on the specific sources of HIV/AIDS funding for developing country populations are addressed below.

## Bilateral Strategies

Bilateral strategies include direct funding from a donor country to a specific program in a developing country. Surveys by UNAIDS identified consistent growth in bilateral funding for international AIDS from 1987 through 1996, stable funding from 1996 to 1997, and increased growth again in 1998.<sup>4</sup>

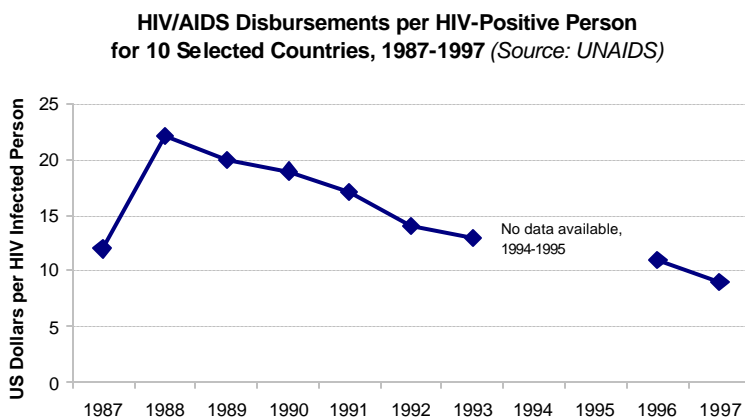
The most comprehensive figures on bilateral funding for international HIV/AIDS in developing countries come from a UNAIDS report tracking donations made by 14 donor countries in 1998.<sup>4</sup> According to the report, these countries disbursed approximately \$300 million for HIV/AIDS-related activities in developing countries and countries in transition in 1998, constituting approximately 80% of donor country contributions for HIV/AIDS activities for that year.

The United States was the largest donor of HIV/AIDS funding, contributing nearly 50% of the total amount.<sup>4</sup> The United Kingdom and the Netherlands were the next largest donors, disbursing \$26.3 million and \$21.5 million, respectively. The ranking of countries in order of 1998 giving as a percentage of their GNP was, from most to least: Luxembourg, Norway, Sweden, the Netherlands, Denmark, Australia, Canada, Belgium, the United Kingdom, the United States, Finland, Germany and Japan. (Data from France were not available.)

## Multilateral Strategies

Multilateral organizations, such as the World Health Organization and UNAIDS, serve all nations but largely depend on funding from donor countries. Multilateral institutions play a reduced, though still significant, role in the international AIDS response.

In 1987, countries channeled 71% of their AIDS funding through multilateral and multi-bilateral organizations. By 1998, the share of funding through these organizations decreased to 20%.<sup>4</sup>

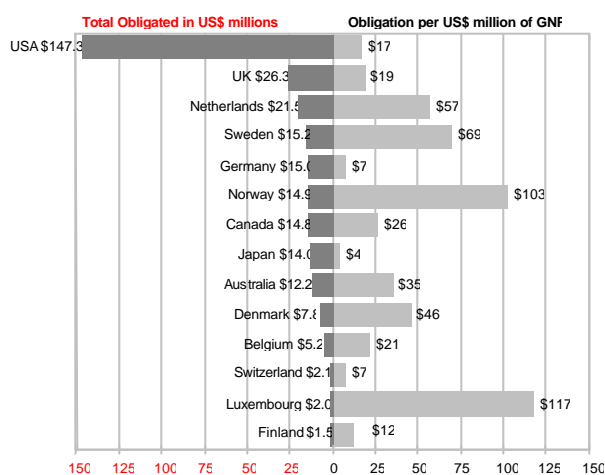


UNAIDS operates as a catalyst and coordinator of action on AIDS, rather than as a direct funding or implementing agency. From 1996-1997, UNAIDS provided approximately \$47 million for country-based operations for planning and coordination. The World Health Organization provided \$20 million for HIV/AIDS activities.<sup>5</sup>

To date, the World Bank has committed over \$1 billion to 99 HIV/AIDS-related projects in 56 countries.<sup>6</sup> The World Bank's recently launched Multi-Country HIV/AIDS Program (MAP) in Africa will make \$500 million available for prevention and treatment over the next three years.

### HIV/AIDS Spending from Select Countries 1998: Total Spending v. Spending as % of GNP

(Source: UNAIDS)



### Philanthropic Strategies

Combined domestic and international HIV/AIDS-specific giving decreased steadily from 1994 through 1998,<sup>7</sup> but increased dramatically in 1999, consistent with the overall growth in philanthropic giving.<sup>7</sup>

Domestic and international HIV/AIDS-related giving by foundations grew by 70% from \$28.3 million in 1998 to \$40.7 million in 1999. In that year, approximately 25%, \$12.5 million was contributed by the Bill and Melinda Gates Foundation.<sup>7</sup> It is estimated that funding in 2000 increased again, due in large part to the \$55.6 million that the Gates Foundation committed to HIV/AIDS ac-

tivities in that year.<sup>7</sup> Other major foundations making substantial contributions on international AIDS include the Ford Foundation, Kaiser Family Foundation, and the Rockefeller Foundation.

Major donations by corporations, including pharmaceutical companies, appear to have increased in recent years. Major corporate donors in this area include Bristol-Myers Squibb, GlaxoSmithKline, Merck, and Pfizer.

### Need for Additional Resources

Global funding for HIV/AIDS in lower income countries is woefully inadequate to take advantage of the many opportunities to prevent new infections and improve and prolong the lives of millions of people. The rapidly expanding number of people living with HIV disease in the developing world makes resources for prevention and care progressively more scarce.

Now at the 20th anniversary of the discovery of HIV/AIDS, the international community has an historic opportunity to fight AIDS in developing countries. The success of any effort to raise the necessary funds for this global response will depend on international mobilization.

### References

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Extracted from background material prepared for the *Leadership Forum on HIV Prevention* – June 22, 2001

This report was commissioned and published by The Henry J. Kaiser Family Foundation. The full report (#1636) is available on our website at [www.kff.org](http://www.kff.org) or through our publications request line at (800) 656-4533