

Financing the Response to AIDS in Low- and Middle-Income Countries: International Assistance from Donor Governments in 2011

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Introduction

After a decade of significant growth in donor government assistance to address AIDS in low- and middle-income countries, the world entered a financial crisis, raising concerns about the global effort to tackle the epidemic. While resources from all sectors - multilateral institutions, the private sector, low- and middle-income country governments, and households and individuals—are all key to financing the response, donor governments account for most HIV funding in many hard hit countries. Therefore, understanding how donors have responded to this crisis is critical to assessing efforts to address the AIDS epidemic around the world and in meeting the targets set out by United Nations Member States in the 2011 Political Declaration on AIDS.¹

UNAIDS and the Kaiser Family Foundation have been tracking donor government assistance for AIDS in low- and middle- income countries since 2002.² This latest report provides data from governments for 2011, the most recent year with comparable data available across donors. As it shows, international assistance rose sharply from 2002 through 2008, the period just before the onset of the economic crisis. It then began to flatten and, last year, for the first time, disbursements declined. The current report finds that although funding has gone back up, it remains at 2008 levels. If such trends continue, reaching the UN Political Declaration investment target of \$22-24 billion needed by 2015 could be at risk.

This report is based on analysis of data provided by the 23 donor government members of the Organisation for Economic Co-operation and Development (OECD)'s Development Assistance Committee (DAC) and the European Union (EU). It includes their combined bilateral assistance and contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) and to UNITAID.

Key Highlights

Funding for international AIDS assistance provided by donor governments increased by more than six-fold between 2002 and 2008 but, other than a decline in 2010, has remained at this level through 2011:

- Disbursements were US\$7.6 billion in 2011, compared to \$6.9 billion in 2010. Funding was US\$7.7 billion in both 2008 and 2009 (see Chart 5).
- The decline between 2009 and 2010 was largely attributed to the largest donor, the United States (U.S.) who had reported delays in disbursements during that period.³
- Commitments (enactments) have also been flat at approximately \$8.7-\$8.8 billion since 2008⁴ (see Chart 5).

As has been the case over the past decade, a subset of donor governments continues to account for the majority of OECD DAC government international AIDS assistance:

- In 2011, the United States (U.S.) was the largest donor in the world, accounting for more than half (59.2%) of disbursements by donor governments. The U.K. accounted for the second largest share of disbursements in 2011 (12.8%), followed by France (5.4%), the Netherlands (4.2%), Germany (4.0%), and Denmark (2.5%) (see Chart 6).
- Together, funding from the member countries of the EU and the European Commission (EC) totalled US\$2.6 billion, accounting for 34% of disbursements by governments.

Key Highlights, continued...

Two governments significantly increased their funding in 2011, compared to 2010, while seven essentially remained level and four decreased.

- The U.K. reported significant funding increases following an explicit government policy decision to boost overall development assistance funding by approximately 40% over a three-year period.⁵
- The increase by the U.S. from 2010-2011 brought their funding back up to 2009 levels, after a 16% decrease between 2009-2010.
- Australia, Canada, Denmark, France, Germany, Norway and Sweden maintained or slightly increased funding while Ireland, Italy, Japan and the Netherlands decreased.

Most donor government assistance for AIDS is provided bilaterally, although funding channels vary by donor.

- In 2011, bilateral government assistance accounted for US\$5.8 billion (see Chart 7).
- Funding provided to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) totalled US\$2.9 billion, of which US\$1.6 billion (or 56%) represents an adjusted “AIDS share” (see Chart 8).
- Funding for UNITAID totalled US\$263 million, of which US\$137 million (52.2%) represents an adjusted “AIDS share”.
- Overall, 77% of international AIDS assistance in 2011 was provided bilaterally, and 23% multilaterally. While most donor governments provide the bulk of their assistance bilaterally, five (Canada, the EC, France, Germany, and Japan) channel at least half through the Global Fund and UNITAID (see Chart 9).
- Between 2009 and 2011, the UK significantly increased its contribution to the Global Fund (see Chart 10).
- Not all donor governments provided contributions to multilateral institutions. In 2011, for example, 6 members of the DAC did not contribute to the Global Fund, including Italy and Spain, several of whom have given in the past. In addition, only 6 contributed to UNITAID.⁶

Key Highlights, continued...

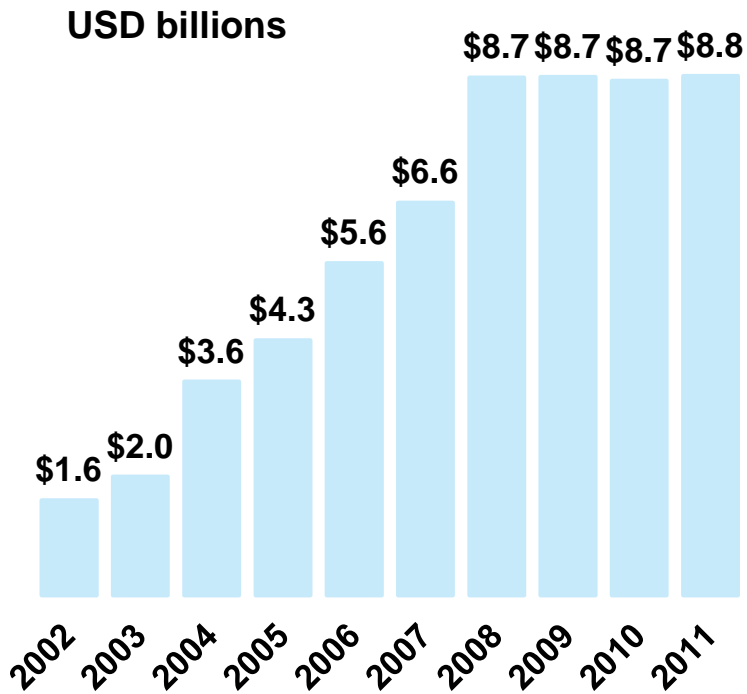
One question that often arises is what constitutes a donor's "fair share" of resources. Yet, assessing "fair share" in the context of international assistance is complex and there is no single, agreed upon methodology for doing so. Two different methodologies were used in this analysis:

- *Share of Resources for AIDS Compared to GDP:* In 2011, UNAIDS estimates that US\$16.8 billion was made available from all sources (donor governments, multilaterals, the private sector, and domestic sources) for AIDS.⁷ Of this the U.S. provided 27%, the largest share of any donor and above its share of the world's economy as measured by gross domestic product or GDP (22% in 2011). Denmark, Ireland, the Netherlands, Sweden, and the U.K. also provided greater shares of total AIDS resources than their shares of GDP (see Chart 11).
- *GDP per US\$1 Million:* When donor government disbursements are standardized by the size of their economies (GDP per U.S.\$1 million), donors rank quite differently than when measured by actual disbursement amounts. Whereas Denmark ranked sixth in actual disbursements provided for AIDS in 2011, it ranked number one when standardized by GDP. The UK ranked second by this measure (the same as for disbursement amounts), followed by the Netherlands, Ireland, and Sweden. The U.S. was sixth when standardized by GDP, compared to first when ranked by disbursement amount (see Chart 12).

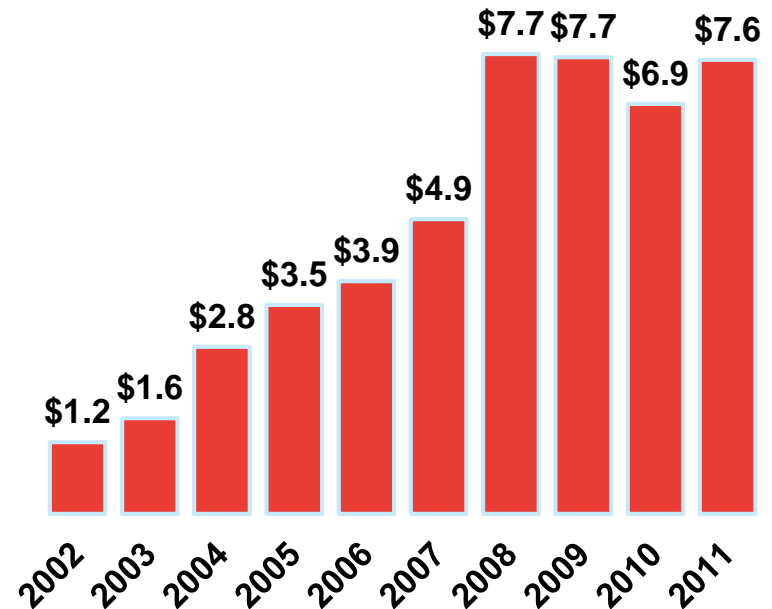
Endnotes

1. UN General Assembly, *Political Declaration on HIV/AIDS: Intensifying our Efforts to Eliminate HIV/AIDS*, A/RES/65/277, June 2011.
2. See, Kaiser Family Foundation, <http://www.kff.org/hivaids/7347.cfm>.
3. The U.S. reported that delays in disbursements between 2009 and 2010 were due to new implementation requirements.
4. Enactments are firm budgetary decisions that funding will be provided, regardless of the year in which it is disbursed. While most governments examined disburse enacted amounts significantly within the same year, the U.S. government, the largest donor, does not. Yet, because U.S. enactments are firm budgetary decisions, they provide an important point of comparison to other governments' disbursement amounts.
5. HM Treasury, Budget 2011, p. 48 and Budget 2012, p. 55.
6. Based on analysis of the Global Fund's *Pledges and Contributions* database and UNITAID's *2011 Annual Report*.
7. UNAIDS, *Together we will end AIDS*, July 2012.

International AIDS Assistance from Donor Governments: Commitments & Disbursements, 2002-2011



**Commitments
(Enacted Amounts)**



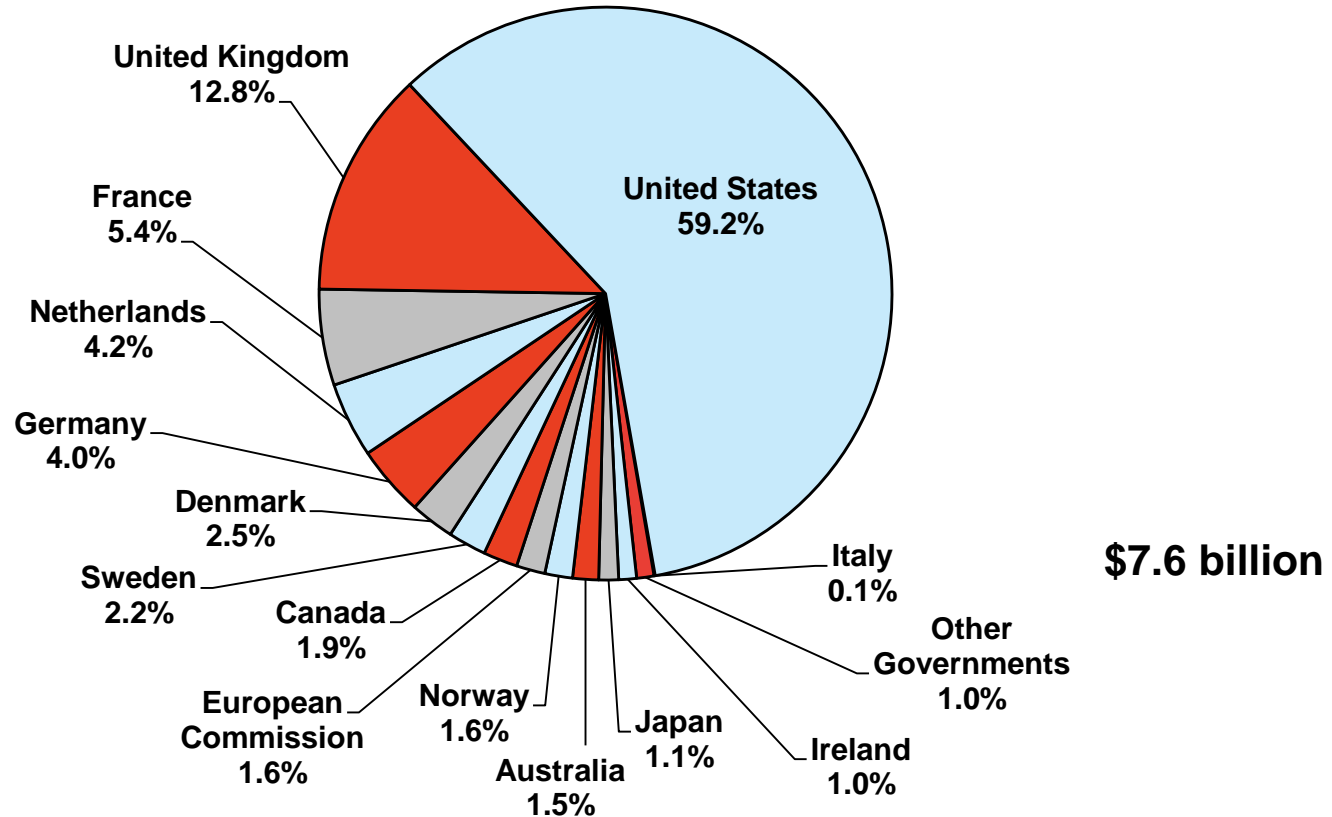
Disbursements

July 2012

Sources: UNAIDS and Kaiser Family Foundation analyses; Global Fund to Fight AIDS, Tuberculosis and Malaria online data queries; UNAIDS Annual Report 2011; UNAIDS Audited Financial Report for the period 2010-2011; OECD CRS online data queries. Notes: Bilateral funding includes HIV-earmarked multilateral funding but does not include the Global Fund or UNAIDS. Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursements by disease to date (56% for HIV). UNAIDS contributions adjusted to represent estimated HIV share based on grant allocations by disease to date (52.2% for HIV). Data from 2002 and 2003 do not include Global Fund contributions. See Methodology for additional detail.

International AIDS Assistance: Donor Governments as Share of Total Donor Government Disbursements, 2011

USD billions

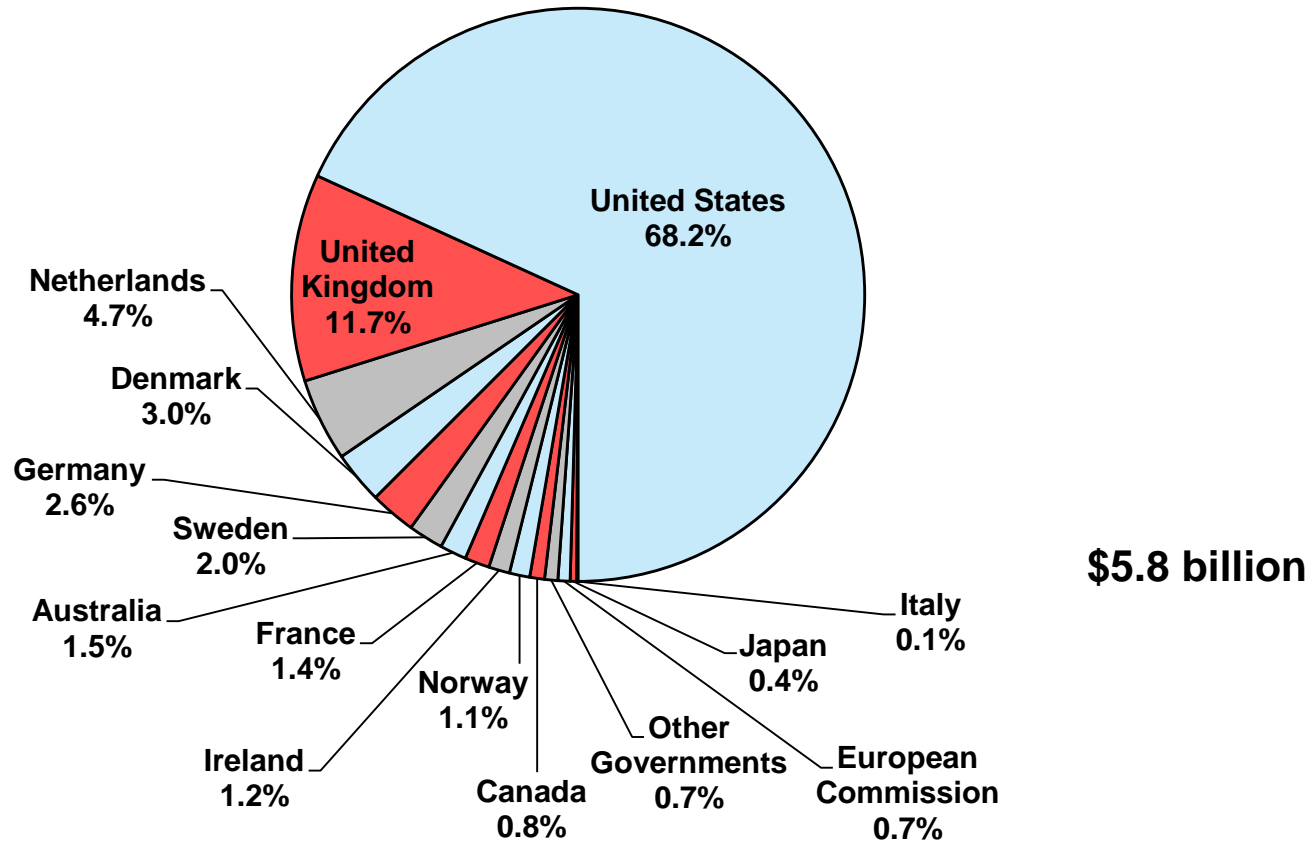


July 2012

Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; Global Fund to Fight AIDS, Tuberculosis and Malaria online data query, January 2012; UNITAID Annual Report 2011; UNITAID Audited Financial Report for the period 2010-2011; OECD CRS online data queries. Notes: Bilateral funding includes HIV-earmarked multilateral funding but does not include the Global Fund or UNITAID; Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursement by disease to date (56% for HIV). UNITAID contributions adjusted to represent estimated HIV share based on grant allocations by disease to date (52.2% for HIV). Data from 2002 and 2003 do not include Global Fund contributions. See Methodology for additional detail.

International AIDS Assistance: Donor Governments as Share of Bilateral Disbursements, 2011

USD billions

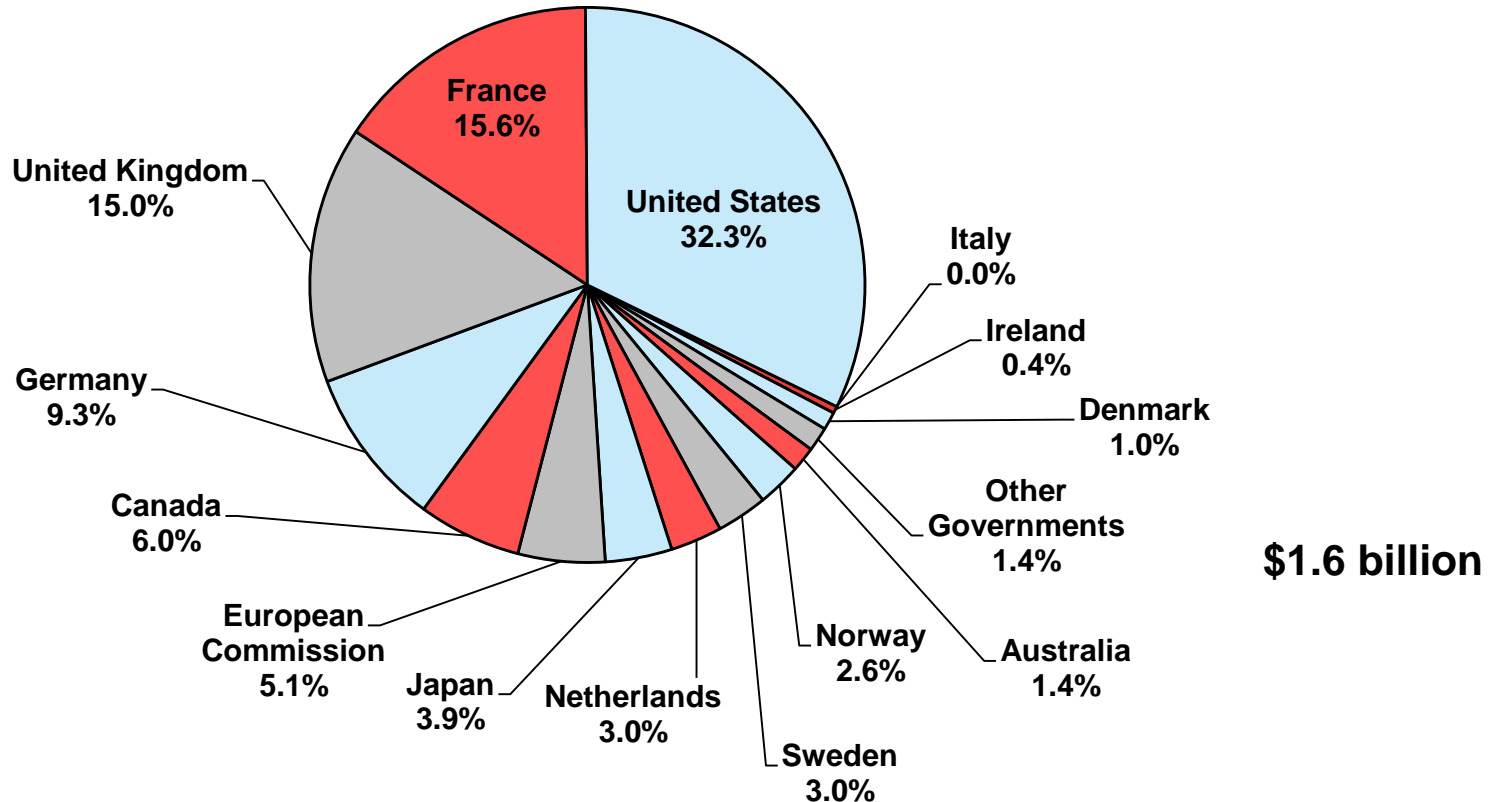


July 2012

Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; OECD CRS online data query, July 2012.
Notes: Bilateral funding includes HIV-earmarked multilateral funding, but does not include the Global Fund or UNITAID. See Methodology for additional detail.

International AIDS Assistance: Donor Governments as Share of Global Fund Contributions by Donor Governments, 2011

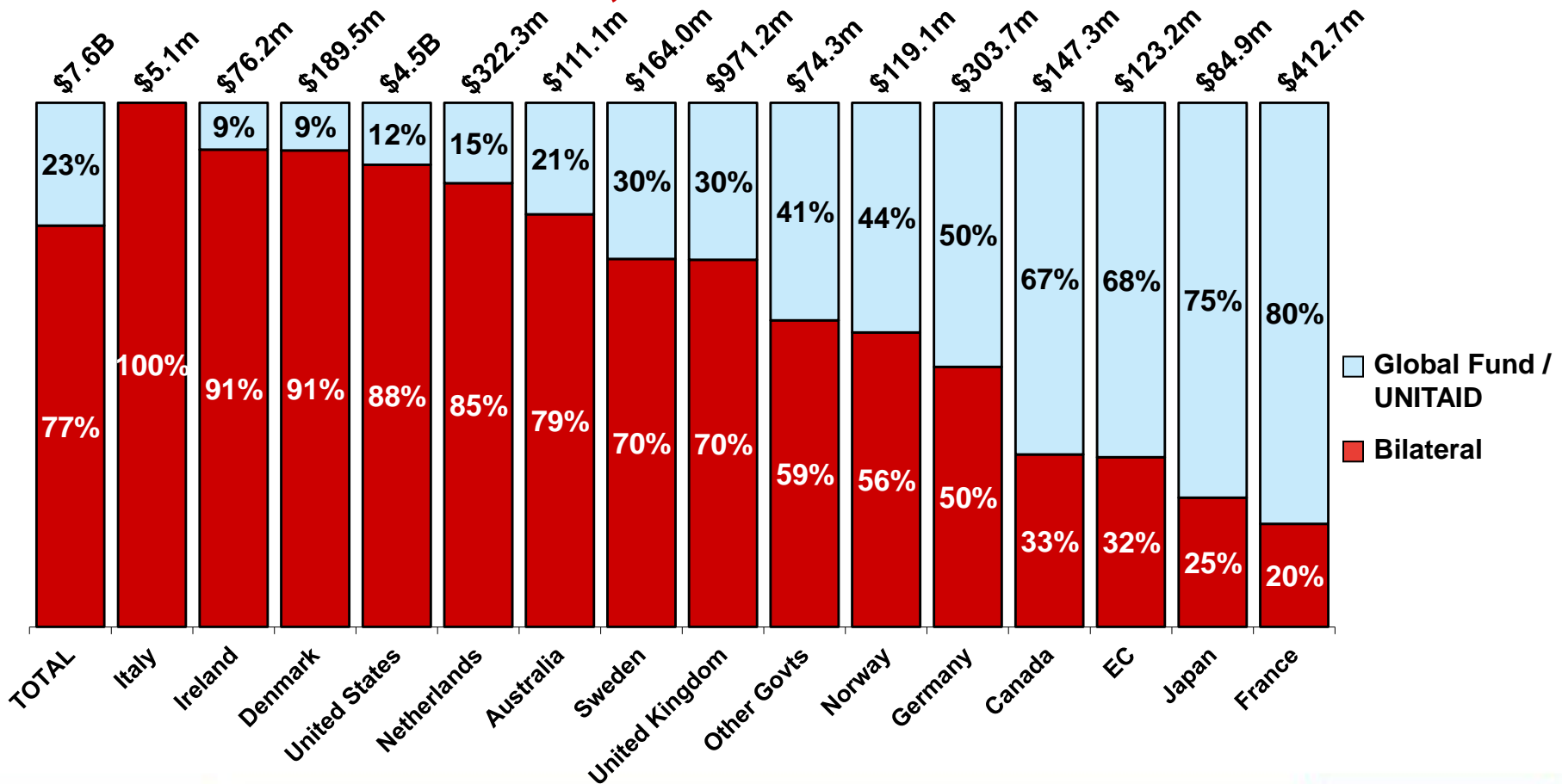
USD billions



July 2012

Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; Global Fund to Fight AIDS, Tuberculosis and Malaria online data query, January 2012. Notes: Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursements by disease to date (56% for HIV). *Members of the OECD's Development Assistance Committee (DAC): www.oecd.org/dac. See Methodology for additional detail.

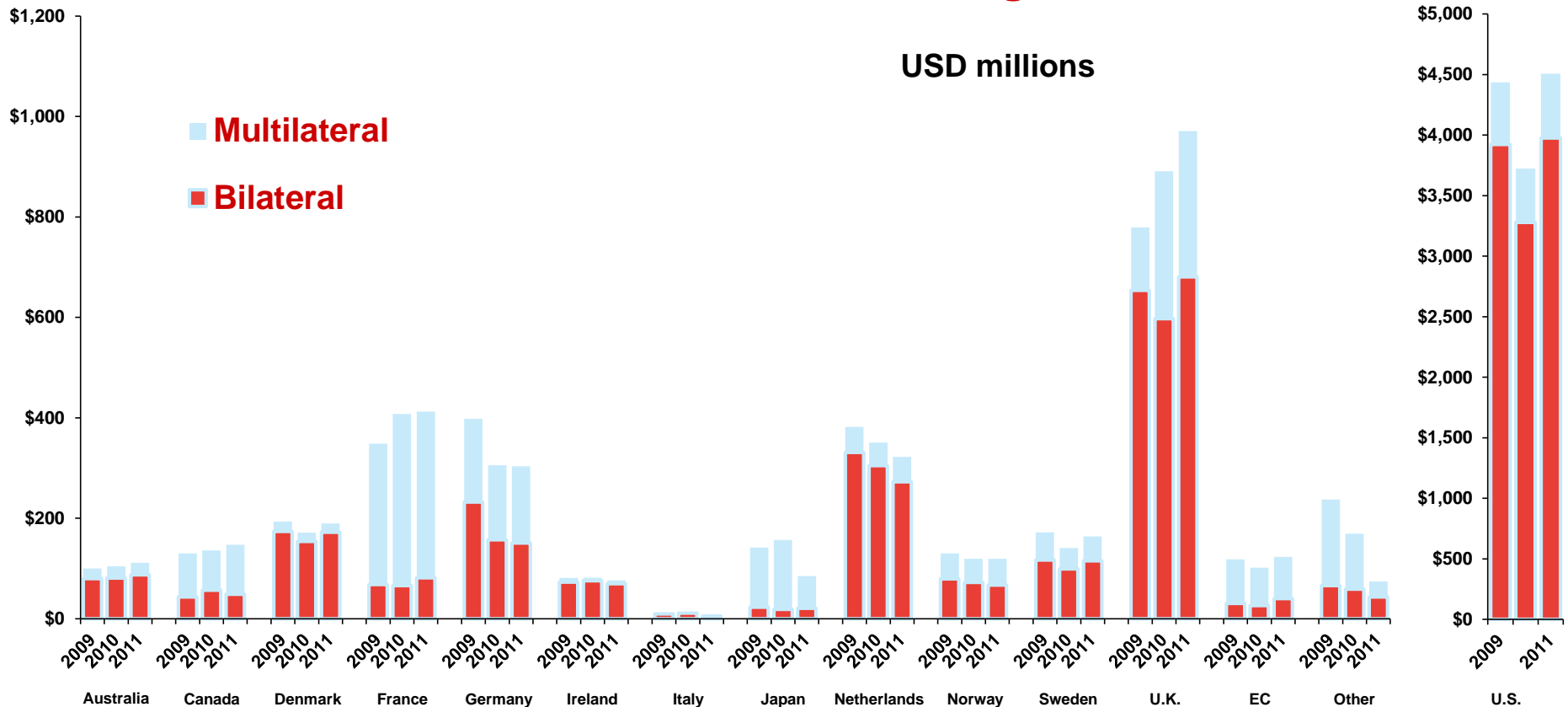
International AIDS Assistance: Funding Channels for Donor Government Disbursements, 2011



July 2012

Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; Global Fund to Fight AIDS, Tuberculosis and Malaria online data query, January 2012; UNITAID Annual Report 2011; UNITAID Audited Financial Report for the period 2010-2011; OECD CRS online data query, July 2012. Notes: Bilateral funding includes HIV-earmarked multilateral funding; Multilateral funding includes Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursements by disease to date (56% for HIV) and UNITAID contributions adjusted to represent estimated HIV share based on grant allocations by disease to date (52.2% for HIV). See Methodology for additional detail.

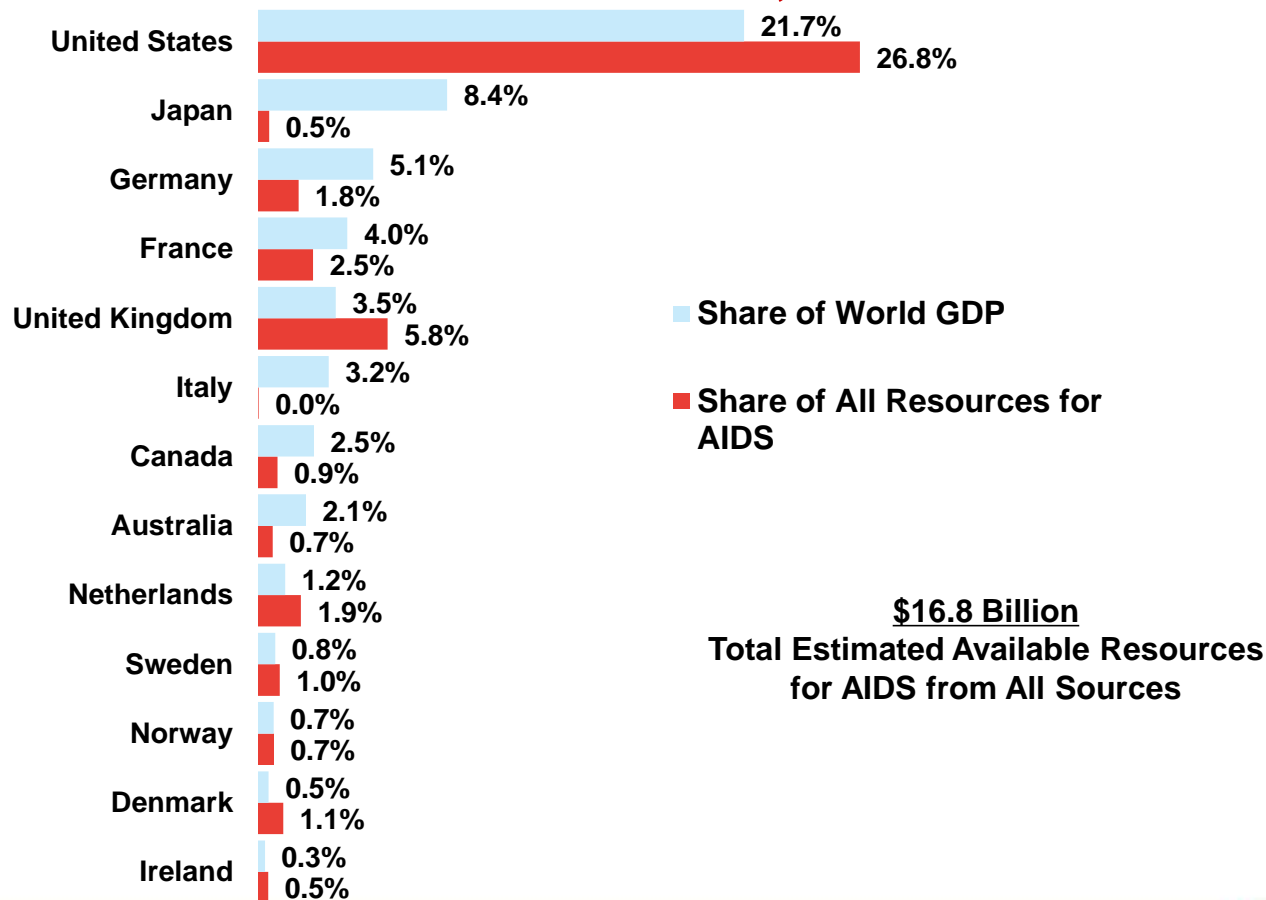
Trends in International AIDS Assistance from Donor Governments: Multilateral & Bilateral Funding, 2009-2011



Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; Global Fund to Fight AIDS, Tuberculosis and Malaria online data query, January 2012; UNAIDS Annual Report 2011; UNAIDS Audited Financial Report for the period 2010-2011; OECD CRS online data query, July 2012. Notes: Bilateral funding includes HIV-earmarked multilateral funding but does not include the Global Fund or UNAIDS. Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursements by disease to date (56% for HIV). UNAIDS contributions adjusted to represent estimated HIV share based on grant allocations by disease to date (52.2% for HIV). Global Fund contributions from all governments correspond to amounts received by the Fund during the 2011 calendar year, regardless of which contributor's fiscal year such disbursements pertain to. U.K., Canadian, and Japanese data are preliminary estimates. Netherlands disbursement data differ from HGIS annual reports, due to exclusion of TB and malaria funding, imputed multilateral funding, and indirect administrative costs. "Other Government" totals represent 2010 data reported to the OECD and 2011 data by the Global Fund & UNAIDS. See Methodology for additional detail.

July 2012

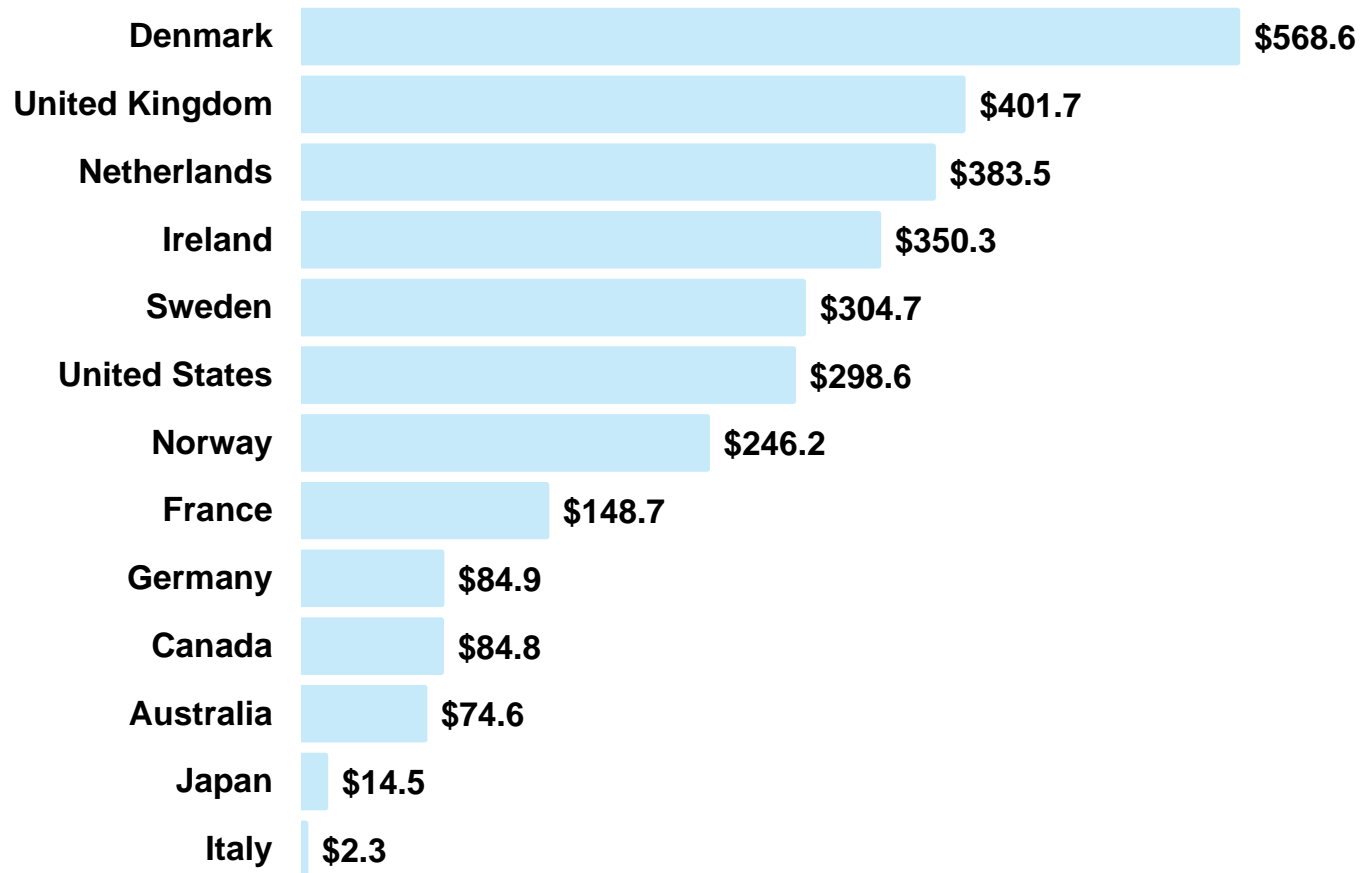
Assessing Fair Share 1 : Share of World GDP* Compared to Donor Share of All Resources Available for AIDS, 2011



July 2012

Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; UNAIDS, *Together we will end AIDS*, July 2012; Global Fund to Fight AIDS, Tuberculosis and Malaria online data query, January 2012; UNITAID Annual Report 2011; UNITAID Audited Financial Report for the period 2010-2011; International Monetary Fund, World Economic Outlook Database, June 2012. Notes: *GDP = gross domestic product. Bilateral funding includes HIV-earmarked multilateral funding, but does not include the Global Fund or UNITAID. Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursements by disease to date (56% for HIV). UNITAID contributions adjusted to represent estimated HIV share based on grant distributions by disease to date (52.2% for HIV). See Methodology for additional detail.

Assessing Fair Share 2: Donor Rank by Disbursements for AIDS per US\$1 Million GDP*, 2011



July 2012

Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; Global Fund to Fight AIDS, Tuberculosis and Malaria online data query, January 2012; UNITAID Annual Report 2011; UNITAID Audited Financial Report for the period 2010-2011; International Monetary Fund, World Economic Outlook Database, June 2012. Notes: *GDP = gross domestic product. Bilateral funding includes HIV-earmarked multilateral funding, but does not include the Global Fund or UNITAID. Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursements by disease to date (56% for HIV). UNITAID contributions adjusted to represent estimated HIV share based on grant distributions by disease to date (52.2% for HIV). See Methodology for additional detail.

International AIDS Assistance from Donor Governments, Summary Data Table, 2011

USD millions

Government	Bilateral Disbursements	Global Fund		UNITAID		Total Disbursements
		Total (100%)	Adjusted (56%)	Total (100%)	Adjusted (52.2%)	
Australia	\$ 87.4	\$ 42.2	\$ 23.6			\$ 111.1
Canada	\$ 48.5	\$ 176.5	\$ 98.8			\$ 147.3
Denmark	\$ 172.3	\$ 30.7	\$ 17.2			\$ 189.5
France	\$ 81.3	\$ 457.4	\$ 256.2	\$ 144.3	\$ 75.3	\$ 412.7
Germany	\$ 150.8	\$ 273.1	\$ 152.9			\$ 303.7
Ireland	\$ 69.4	\$ 12.2	\$ 6.8			\$ 76.2
Italy	\$ 5.1	\$ 0.0	\$ 0.0			\$ 5.1
Japan	\$ 20.9	\$ 114.2	\$ 64.0			\$ 84.9
Netherlands	\$ 272.8	\$ 88.4	\$ 49.5			\$ 322.3
Norway	\$ 66.9	\$ 75.7	\$ 42.4	\$ 18.8	\$ 9.8	\$ 119.1
Sweden	\$ 115.2	\$ 87.2	\$ 48.8			\$ 164.0
United Kingdom	\$ 680.5	\$ 439.7	\$ 246.2	\$ 85.1	\$ 44.4	\$ 971.2
United States	\$ 3,974.8	\$ 949.7	\$ 531.8			\$ 4,506.6
European Commission	\$ 39.9	\$ 148.8	\$ 83.3			\$ 123.2
Other Governments	\$ 43.5	\$ 41.4	\$ 23.2	\$ 14.6	\$ 7.6	\$ 74.3
TOTAL	\$ 5,829.3	\$ 2,937.1	\$ 1,644.8	\$ 262.7	\$ 137.1	\$ 7,611.2

Sources: UNAIDS and Kaiser Family Foundation analysis, July 2012; Global Fund to Fight AIDS, Tuberculosis and Malaria online data query, January 2012; UNITAID Annual Report 2011; UNITAID Audited Financial Report for the period 2010-2011; OECD CRS online data query, July 2012. Notes: Bilateral funding includes HIV-earmarked multilateral funding but does not include the Global Fund or UNITAID. Global Fund contributions adjusted to represent estimated HIV share based on Global Fund grant disbursements by disease to date (56% for HIV). UNITAID contributions adjusted to represent estimated HIV share based on grant allocations by disease to date (52.2% for HIV). Global Fund contributions from all governments correspond to amounts received by the Fund during the 2011 calendar year, regardless of which contributor's fiscal year such disbursements pertain to. U.K., Canadian, and Japanese data are preliminary estimates. Netherlands disbursement data differ from HGIS annual reports, due to exclusion of TB and malaria funding, imputed multilateral funding, and indirect administrative costs. "Other Government" totals represent 2010 data reported to the OECD and 2011 data by the Global Fund & UNITAID. See Methodology for additional detail.

July 2012

Annex: Methodology

This project represents a collaboration between the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Kaiser Family Foundation. Data provided in this report were collected and analyzed by UNAIDS and the Kaiser Family Foundation. The Stimson Center conducted research for this project.

Bilateral and multilateral data on donor government assistance for AIDS in low- and middle-income countries were collected from multiple sources. The research team solicited bilateral assistance data directly, from the governments of Australia, Canada, Denmark, France, Germany, Ireland, Japan, The Netherlands, Norway, Sweden, The United Kingdom, and The United States during the first half of 2012, representing the fiscal year 2011 period. Direct data collection from these donors was desirable because the latest official statistics on international AIDS specific assistance – from the Organisation for Economic Co-operation and Development (OECD) Creditor Reporting System (CRS) (see: <http://www.oecd.org/dac/stats/data>) – are from 2010 and do not include all forms of international assistance (e.g., funding to countries such as Russia and the Baltic States that are no longer included in the CRS database). In addition, the CRS data may not include certain funding streams provided by donors, such as HIV components of mixed grants to non-governmental organizations. The research team therefore undertook direct data collection from the donors who provide significant shares for international AIDS assistance through bilateral channels.

Where donor governments were members of the European Union (EU), the research team ensured that no double-counting of funds occurred between EU Member reported amounts and EC reported amounts for international AIDS assistance. Figures obtained directly using this approach should be considered as the upper bound estimation of financial flows in support of HIV-related activities. Although the Russian Federation is a Member of the G8 and has contributed to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), it has also been a net recipient of AIDS assistance, and therefore is not included in the donor analysis.

Methodology continued...

Direct data were obtained from Spain for prior reports; 2011 data had not been provided by release of this report and 2010 data were used as a proxy. Data for all other governments – Austria, Belgium, Finland, Greece, Luxembourg, New Zealand, Portugal, Switzerland – were obtained from the OECD CRS and are from calendar year 2010; these data, therefore, do not necessarily reflect 2011 calendar year amounts. However, collectively, these governments have accounted for less than 5 percent of bilateral commitments and disbursements in each of the past several years.

Data included in this report represent funding assistance for HIV prevention, care, treatment and support activities, but do not include funding for international HIV research conducted in donor countries (which is not considered in estimates of resource needs for service delivery of HIV-related activities).

Bilateral funding is defined as any earmarked (HIV-designated) amount, including earmarked contributions to multilateral organizations, such as UNAIDS. In some cases, donors use policy markers to attribute portions of mixed-purpose projects to HIV. This is done, for example, by the European Commission, the Netherlands, Norway, Denmark, and the UK. U.S. bilateral “enacted” data, or “commitments”, correspond to amounts appropriated for the 2011 fiscal year. Global Fund contributions from all governments correspond to amounts received by the Fund during the 2011 calendar year, regardless of which contributor’s fiscal year such disbursements pertain to. Data from the U.K., Canada, and Japan should be considered preliminary estimates. With the exception of the U.S., disbursements were used as a proxy for “enacted” amounts. Netherlands disbursement data differ from HGIS annual reports, due to exclusion of TB and malaria funding, imputed multilateral funding, and indirect administrative costs.

Methodology continued...

Bilateral assistance data were collected for disbursements. A disbursement is the actual release of funds to, or the purchase of goods or services for, a recipient. Disbursements in any given year may include disbursements of funds committed in prior years and in some cases, not all funds committed during a government fiscal year are disbursed in that year. In addition, a disbursement by a government does not necessarily mean that the funds were provided to a country or other intended end-user. Enacted amounts represent budgetary decisions that funding will be provided, regardless of the time at which actual outlays, or disbursements, occur. In recent years, most governments have converted to cash accounting frameworks, and present budgets for legislative approval accordingly; in such cases, disbursements were used as a proxy for enacted amounts. In the U.S. case, both enacted and disbursement data were available for analysis.

Included in multilateral funding were contributions to the Global Fund (see: <http://www.theglobalfund.org/en/>), and UNITAID (see: <http://www.unitaid.eu/>). All Global Fund contributions were adjusted to represent 56% of the donor's total contribution, reflecting the Fund's reported grant approvals for HIV-related projects to date. The Global Fund attributes funds received to the years that they were pledged rather than the year of actual receipt. As a result, Global Fund totals presented in this report may differ from those currently available on the Global Fund website. UNITAID contributions were adjusted to represent 52.2% of the donor's total contribution, reflecting UNITAID's reported commitments for HIV-related projects to date. Other than contributions provided by governments to the Global Fund and UNITAID, un-earmarked general contributions to United Nations entities, most of which are membership contributions set by treaty or other formal agreement (e.g., the World Bank's International Development Association or United Nations country membership assessments), are not identified as part of a donor government's AIDS assistance even if the multilateral organization in turn directs some of these funds to AIDS. Rather, these would be considered as AIDS funding provided by the multilateral organization, as in the case of the World Bank's efforts, and are not considered for purposes of this report.

Methodology continued...

Data collected directly from the Australian, Canadian, Japanese, UK, and U.S. governments reflect the fiscal year (FY) period as defined by the donor, which varies by country. The U.S. fiscal year runs from October 1-September 30. The Australian fiscal year runs from July 1-June 30. The fiscal years for Canada, Japan, and the U.K. are April 1-March 31. The EC, Denmark, France, Germany, Italy, Ireland, the Netherlands, Norway, and Sweden use the calendar year. The OECD uses the calendar year, so data collected from the CRS for other donor governments reflect January 1-December 31. Most UN agencies use the calendar year and their budgets are biennial. The Global Fund's fiscal year is also the calendar year.

All data are expressed in US dollars (USD). Where data were provided by governments in their currencies, they were adjusted by average daily exchange rates to obtain a USD equivalent, based on foreign exchange rate historical data for 2011, or available from the U.S. Federal Reserve (see: <http://www.federalreserve.gov/>). Data obtained from the Global Fund were already adjusted by the Global Fund to represent a USD equivalent based on date of receipts. Data on gross domestic product (GDP) were obtained from the International Monetary Fund's World Economic Outlook Database and represent current price data for 2011 (see: <http://www.imf.org/external/pubs/ft/weo/2012/01/weodata/index.aspx>).

UNAIDS

The Joint United Nations Programme on HIV/AIDS (UNAIDS) leads and inspires the world to achieve its shared vision of zero new HIV infections, zero discrimination and zero AIDS-related deaths. UNAIDS unites the efforts of 11 UN organizations—UNHCR, UNICEF, WFP, UNDP, UNFPA, UNODC, UN Women, ILO, UNESCO, WHO and the World Bank—and works closely with global and national partners to maximize results for the AIDS response. Learn more at unaids.org and connect on [Facebook](#) and [Twitter](#).

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