

Resource Requirements, 2007, for the Fight Against AIDS

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Table 1. Resource Requirements for
HIV/AIDS Interventions, Principal
Components, 2005 and 2007, US\$ billions.

Intervention	2005	2007
Prevention	5.9	9.9
Care and Treatment	3.8	6.7
Orphans, Vulnerable Children	1.1	2.2
Admin, overheads	0.7	1.1
TOTAL	11.5	19.9

- Key assumptions that drive the increase in requirements beyond the UNGASS 2005 estimate of US\$9.2 billion:
 - Care and treatment is ramped up in 2005 consistent with the 3x5 commitment.
 - Substantial increases in prevention measures include
 - Those directed at special groups such as out-of-school youth, universal precautions and safe needle exchange;
 - Expanded voluntary counselling and testing to speed absorption of HIV+ persons into care and treatment programs.

From an estimated 2003 level of spending of less than US\$5 billion, programs will have to expand by over 40% per annum to reach the 2007 spending level.

- AFRICA – The Financing Challenge.
Estimated requirements for an adequate response to HIV/AIDS in Africa appear in an annex too big to show here). That table shows a requirement of about US\$8.6 billion in 2007. How can that amount be financed? (See Table 2 next).

Table 2. Potential sources of funding for Africa region HIV/AIDS interventions, 2007 (US\$ millions).

Source	US\$ millions	Percentage Distribution
National and Local Governments	1,000	12
Donor Assistance (except GFATM)	6,000	70
Global Fund AIDS, TB, Malaria	625	7
Private OOP, private and social insurance	935	11
TOTAL	8,600	100

Overview of spending on AIDS vs. Health by national governments

- Distinct regional differences in government readiness to finance the fight against AIDS:
 - Governments in the LAC region have pressed their national social security systems to finance HIV/AIDS services, including ART;
 - Governments in other regions have done next to nothing.
 - Rwanda: minimal use of government's own funds.
 - Ghana: Government there is using loan funds from the World Bank to support HIV/AIDS programs.

Will Govt. pay for health? AIDS?

- Governments in low-income countries spent health resources on hospital services usually available only to the upper-income groups.
- Health spending has been consistently inequitable.
- Low-income-country governments finance only a quarter (26%) of total health spending in their countries; the other 3/4s is paid for out of pocket (WHO and World Bank *World Development Indicators 2004*, p. 90).
- These governments are unlikely to do better in paying for a larger share of HIV/AIDS spending out of the governments' own tax revenues, i.e., neither grants nor loans

How much are people paying out of their own pockets?

- About a quarter of all HIV/AIDS spending in the LAC region is out of pocket;
- Rwanda: over 90% of AIDS spending there, by a few hundred patients and their families, was out of pocket
- A Ghana study in process shows a small share (7%) of total HIV/AIDS spending as being out of pocket, but the study did not include any probing of spending for traditional healers or other informal sources of care;
- Fresh information on out of pocket spending in Thailand, Kenya, Uganda, Zambia and possibly Rwanda will be available at BKK AIDS 2004.

Who is tracking what (Group 1)?

Institution	Tracking What	Comment
NIDI/UNFPA/UNAIDS	Donor flows, some complementary own-govt and other amounts	Having trouble in receiving replies to mailed questionnaires
OECD DAC	Reports of OECD donor countries on grants, but usually not disbursements	Grants and disbursements vary; donors like to 'high-ball' (show large numbers); donors include all disbursements even if many costs remain 'at home'
SIDALAC	Total outlays for HIV/AIDS in selected countries of LAC region (20?) and extended recently to Africa	Use local consultants plus a govt. official to seek a complete picture in a country; rely on specialized samples that may or may not be representative

Tracking What? Group 2

PHRplus	HIV/AIDS spending as a sub-account of national health accounts (NHA in >40 countries; HIV/AIDS in far fewer (10?))	Use rigorous approaches to data collection and analysis; build working relations with local groups; try to link to WHO and NHA
Govt of Thailand	Thai govt spending	Results to be reported at BKK AIDS 2004
Asia Pac Health Economic Network	Applied NHA in several countries; have expressed readiness to use HIV/AIDS sub-accounts approaches	Awaiting approval for support; have good technical contacts in several countries
Center for Global Development and Rand Corporation	Considering a role for coordination and advice on methods and procedures	Held useful meeting in 2004; considering next steps
UNAIDS Resource Tracking Group	Coordinating and reviewing work of other groups	Reviewing options

Factors limiting programming capacity

- “We definitely need more and better data on resource flows for HIV/AIDS, and someone else should come forward to pay for the work needed to gather and analyze the data.”
- As with most public goods, i.e., goods that have general rather specific utility, potential beneficiaries prefer that “others” (but who?) pay for such goods so that the beneficiaries can be ‘free riders’.

Capacity problems encountered when scaling up domestic AIDS expenditure

- Lack of skilled labor (medical personnel, trained diagnosticians, technicians to use and maintain new testing equipment)
- Means to store and retrieve pharmaceuticals;
- Information storage and retrieval mechanisms essential to monitor and evaluate results of medical interventions (dosage, compliance, dropout rates, etc.)

How could the data be used (1)?

Client	Data Type	Principal Use
GFATM	Expenditures of GFATM resources, other resources	Identify additionality and sustainability issues
UNAIDS and its partners (WHO, UNDP, UNESCO, UNICEF, and others)	Donor flows	Resource mobilization and program planning for technical assistance offerings
Center for Global Development/Rand Corp	Donor flows	Annual league table on donor rankings in assistance categories
PEPFAR	M&E for own projects	Justify actual outlays

Data used? (2)

DfID	M&E for own projects	Broad view of impact on the epidemic given leadership role in promoting 'basket' funding
World Bank and IMF on projects and HIPC debt relief	Project supervision reports; Operations Evaluation Reports (OED)	Demonstrate progress and guide periodic reviews and disbursement decisions; post-project evaluation
Gates Foundation, other private sector donors for HIV/AIDS	Specific impact of programs the foundations support in whole or in part	Feedback to program managers and reports to foundation board of trustees

Data used? (3)

<p>Advocacy Groups (ActUp, GFO Newsletter, Oxfam, others)</p>	<p>Bottom line assessments of program effectiveness, evidence of progress in the fight against AIDS, consistency of programs with advocacy group commitments</p>	<p>Secure ongoing support for resource mobilization</p>
<p>DATA, Kaiser Family Foundation, Pew Trusts, other intermediary organizations</p>	<p>Data prepared in a manner accessible to a reasonably broad policy audience; suitable for use in advocacy among policymakers reasonably committed to more support</p>	<p>Attractive briefs that command attention from very busy decision makers with many other priorities and calls on their time</p>

Priority Questions...to conclude

- How can the ‘public goods’ generated by resource tracking be best financed?
- Can users be ‘taxed’ to assure that they are not free riders but instead contribute payments that compensate for the benefits they derive?
- Can UNAIDS play a coordinating role on behalf of its partners to assure that data collection on recent ‘actual’ resource flows and program expenditures gets at least as much attention as data presentation and statements about future resource needs?