Financing the Response to HIV in Low- and Middle-Income Countries: International Assistance from Donor Governments in 2013

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Executive Summary

2013 brings a mixed story for donor government funding to address the HIV epidemic in low- and middle-income countries. Funding commitments fell to US$8.07 billion, a 3% drop from 2012. The drop is primarily due to decreasing annual commitments by the United States government, the largest donor to HIV in the world. At the same time, disbursements (resources made available to the field) increased in 2013 to US$8.46 billion (8% over 2012), largely the result of a 2013 spending acceleration by the U.S. government of accumulated prior-year funding commitments (the U.S. is the only government carrying such substantial balances forward); without this acceleration, disbursements would have been essentially flat. Several donor governments also increased their contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), representative of a recent shift from bilateral HIV to multilateral channels. Even with increasing disbursements in 2013, there still remains a gap between available resources and estimated need. In addition, future funding remains uncertain – U.S. bilateral HIV commitments have declined in recent years, and are currently below 2008 levels, and there is a diminishing pipeline of prior-year funding.

The Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Kaiser Family Foundation have been tracking bilateral donor government assistance for HIV in low- and middle-income countries as well as contributions to the Global Fund and to UNITAID by the 29 donor government members of the Organization for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) since 2002 and this report presents the most recent data available.

Key Findings Include:

- In 2013, the most recent year for which there are data, donor government commitments for HIV fell to US$8.07 billion, a 3% drop from 2012. The drop is primarily due to decreasing annual bilateral funding commitments by the U.S. government. At the same time, disbursements for HIV increased by nearly US$600 million (an 8% increase) to US$8.46 billion (see Figure 1), largely the result of the U.S. accelerating disbursement of bilateral funding from prior years. Without the U.S. increase, disbursements would have remained essentially flat.

- In addition to the U.S., four of the 14 governments assessed (Australia, Denmark, France, and the U.K.) also increased disbursements for HIV in 2013, compared to 2012, although increases by Denmark, France and the U.K. follow prior year declines bringing their 2013 totals back to earlier funding levels. Five donor governments (Germany, Ireland, Norway, Sweden, and the European Commission) remained constant (after exchange rate fluctuations are taken into account), and three other governments decreased funding (Canada, Italy, and Japan). While HIV assistance from the Netherlands also decreased, it was due to a shift in support from bilateral HIV funding to the Global Fund.

- The U.S. was the largest donor in 2013 (US$5.6 billion) accounting for approximately two-thirds (66.4%) of donor government disbursements for HIV. The U.K. was the second largest donor (10.0%) followed by France (4.8%), Germany (3.4%), and Denmark (2.3%).

- While most international assistance for HIV is provided bilaterally (US$6.4 billion or 76%), five donor governments provided a majority of funding in 2013 through multilateral channels (Global Fund and UNITAID): France (88%), European Commission (81%), Canada (70%), Japan (69%), and Germany (53%). Looking more broadly over the past several years, many donors appear to be shifting an increasing share of
their HIV assistance from bilateral programs to the Global Fund. As the Global Fund provides support for three diseases – HIV, TB, and malaria – this could result in a decreasing share of funding for HIV over time.

- In 2013, several donor governments provided a greater share of funding to HIV than their share of the world’s GDP: the U.S., the U.K., Sweden, and Denmark. However, when standardized by the size of their economies (GDP per US$1 million), Denmark ranks first followed by the U.S., the U.K., Sweden, and Ireland.

- UNAIDS estimates that global HIV funding available from all sources - domestic public and private spending, donor government bilateral assistance, multilateral organizations and private philanthropic aid disbursements - totaled US$19.14 billion in 2013. However, this remains well below the projected need to address HIV of US$22 to US$24 billion by 2015.
Introduction

In many ways, the global response to the HIV epidemic has been no less than heroic, turning around what was a sure death sentence for millions of people just a decade ago. Globally, new HIV infections are now on the decline, more and more people with HIV are receiving antiretroviral therapy, and HIV-related deaths continue to fall. These successes are the result of multiple factors, including significant financial resources marshalled from all sectors - multilateral institutions, donor governments as well as low- and middle-income country governments, the private sector, foundations, faith based organizations, and households and individuals (See Box 1). Resources, however, remain a critical question mark going forward, with UNAIDS estimating a continued gap between available resources to address HIV and the projected need of US$22 to US$24 billion by 2015.²

While resources from all sectors are integral to financing the response to HIV, international assistance from a subset of government donors has been critical to this effort, accounting for much of the HIV funding in many hard hit countries. In fact, seventy-nine countries receive more than half their HIV funding from international assistance, and 51 rely on international sources for at least 75%.² Therefore, understanding and tracking how donors have responded to this crisis is critical to assessing efforts to address the HIV epidemic around the world and to meet global targets.

This report, the product of a partnership between UNAIDS and the Kaiser Family Foundation continues to track this trend by providing the latest available data on international assistance for HIV in low- and middle-income countries provided by donor governments, including their bilateral aid and multilateral contributions to the Global Fund and to UNITAID. UNAIDS and the Kaiser Family Foundation have been tracking assistance provided to address HIV in low- and middle-income countries since 2002.³ This latest report provides data from donor governments for 2013, including funding from the 29 members of the Organisation for Economic Co-operation and Development (OECD)’s Development Assistance Committee (DAC).
While this report focuses on donor governments, there are three other major funding streams for HIV assistance: multilateral organizations, the private sector, and domestic resources.

**Multilateral Organizations:** Provide assistance for HIV using pooled funds from member contributions and other means. Contributions are usually made by governments, but can be provided by private organizations and individuals, as in the case of the Global Fund. Some multilateral organizations are specifically designed to address HIV (such as the Global Fund, which also finances TB and malaria efforts, and UNITAID); donor government contributions to the Global Fund and UNITAID are counted as part of the donor government's financing effort in this analysis. Donor government contributions to multilateral organizations that are not specifically designed to address HIV, but may include HIV activities within their broader portfolio (such as the World Bank), are not included in this analysis. UNAIDS estimates that multilateral organizations provided US$2.6 billion in 2013 to address HIV in low- and middle-income countries.¹

**Private Sector:** Including foundations (charitable and corporate philanthropic organizations), corporations, faith-based organizations, international NGOs, and individuals. It is estimated that philanthropies provided US$636 million in 2012 to HIV activities internationally with U.S.-based philanthropies providing US$467 million, E.U.-based philanthropies providing US$147 million, and philanthropies outside the U.S. and E.U. providing US$38 million.⁴ Among foundations, the Bill and Melinda Gates Foundation is the leading philanthropic funder of international HIV efforts.⁴ Corporations and businesses also support HIV programs in low- and middle-income countries through non-cash mechanisms such as price reductions for HIV medicines; in-kind support; commodity donations; employee and community prevention, care, and treatment programs; and co-investment strategies with government and other sectors.

**Domestic Resources:** Including both spending by country governments that also receive international assistance for HIV and by households/individuals within these countries, represent a significant and critical part of the response. UNAIDS estimates that domestic spending surpassed that provided by donors for the first time in 2011, and accounted for an estimated US$9.65 billion in 2013.¹
Findings

Overview

In 2013, donor government commitments for HIV fell to US$8.07 billion, a 3% drop from 2012 (see Figure 1). This drop is primarily due to decreasing annual bilateral funding commitments by the U.S. government. At the same time, disbursements for HIV increased by nearly US$600 million (an 8% increase) to US$8.46 billion (see Figure 1 and Table 1), largely the result of the U.S. accelerating bilateral funding from prior years. Without the U.S. increase, disbursements would have remained essentially flat.

Looking ahead, prospects are uncertain. U.S. bilateral HIV commitments have declined in recent years, and are currently below 2008 levels, and there is a diminishing pipeline of prior year funding. Additionally, HIV assistance in 2013 from the U.K., France, Germany, and the Netherlands, which are historically the four largest donors after the U.S., are all either at or below levels reached in previous years.¹

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¹ 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.
Table 1: International HIV Assistance from Donor Governments (USD), 2013

<table>
<thead>
<tr>
<th>Government</th>
<th>Bilateral Disbursement</th>
<th>Global Fund</th>
<th>UNITAID</th>
<th>Total Disbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total (100%)</td>
<td>Adjusted (57%)</td>
<td>Total (100%)</td>
</tr>
<tr>
<td>Australia</td>
<td>$ 90.2</td>
<td>$ 94.3</td>
<td>$ 53.7</td>
<td>-</td>
</tr>
<tr>
<td>Canada</td>
<td>$ 42.1</td>
<td>$ 174.1</td>
<td>$ 99.2</td>
<td>-</td>
</tr>
<tr>
<td>Denmark</td>
<td>$ 177.2</td>
<td>$ 25.4</td>
<td>$ 14.5</td>
<td>-</td>
</tr>
<tr>
<td>France</td>
<td>$ 50.5</td>
<td>$ 496.7</td>
<td>$ 283.1</td>
<td>$ 149.5</td>
</tr>
<tr>
<td>Germany</td>
<td>$ 134.1</td>
<td>$ 265.2</td>
<td>$ 151.2</td>
<td>-</td>
</tr>
<tr>
<td>Ireland</td>
<td>$ 48.9</td>
<td>$ 19.1</td>
<td>$ 10.9</td>
<td>-</td>
</tr>
<tr>
<td>Italy</td>
<td>$ 2.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Japan</td>
<td>$ 31.9</td>
<td>$ 122.3</td>
<td>$ 69.7</td>
<td>-</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$ 134.9</td>
<td>$ 90.4</td>
<td>$ 51.5</td>
<td>-</td>
</tr>
<tr>
<td>Norway</td>
<td>$ 63.6</td>
<td>$ 77.1</td>
<td>$ 43.9</td>
<td>$ 21.4</td>
</tr>
<tr>
<td>Sweden</td>
<td>$ 111.9</td>
<td>$ 106.2</td>
<td>$ 60.6</td>
<td>-</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$ 680.7</td>
<td>$ 205.0</td>
<td>$ 116.9</td>
<td>$ 87.2</td>
</tr>
<tr>
<td>United States</td>
<td>$ 4,782.7</td>
<td>$ 1,470.4</td>
<td>$ 838.1</td>
<td>-</td>
</tr>
<tr>
<td>European Commission</td>
<td>$ 19.6</td>
<td>$ 142.2</td>
<td>$ 81.1</td>
<td>-</td>
</tr>
<tr>
<td>Other Governments</td>
<td>$ 60.5</td>
<td>$ 36.2</td>
<td>$ 20.6</td>
<td>$ 4.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 6,431.3</strong></td>
<td><strong>$ 3,324.5</strong></td>
<td><strong>$ 1,895.0</strong></td>
<td><strong>$ 262.0</strong></td>
</tr>
</tbody>
</table>

**Donors**

International assistance for HIV includes both actual funding provided (e.g., cash transfers) as well as other types of transactions and activities (e.g., technical assistance) and products (e.g., commodities) (see Box 2). In 2013, the U.S. continued to be the largest donor in the world, accounting for approximately two-thirds (66.4%) of HIV disbursements by donor governments (See Table 1 and Figure 2). The U.K. was the second largest donor (10.0%), followed by France (4.8%), Germany (3.4%), and Denmark (2.3%).

**Box 2: Types of Donor Government Assistance for HIV**

Donor governments provide multiple types of financial and other assistance to address HIV in low- and middle-income countries, including:

**Grants:** Transfers made in cash, goods or services for which no repayment is required and no legal debt is incurred by the recipient. Grants may be made from a grantor to a grantee, or to an intermediary organization on a grantee’s behalf. Grants can be unconditional or conditional.

**Loans:** Transfers for which the recipient incurs a legal debt and repayment is required in convertible currencies or in-kind.

**Concessional loans:** Loans that are made at or below market interest rates (including at zero interest), and typically are given a much longer grace period and maturity than other forms of financing. To be considered part of official development assistance (ODA) as defined by the OECD, a loan must have a grant element (a grant “equivalent”) of at least 25%.

**Commodities:** Materials, supplies, and equipment, such as medicines and diagnostics.

**Technical assistance/co-operation:** Transfer of knowledge through training, staff, and other services.
Five donor governments (Australia, Denmark, France, the U.K., and the U.S.) increased total disbursements for HIV in 2013, while five (Germany, Ireland, Norway, Sweden, and the European Commission) remained essentially flat (see Figure 3). Three donor governments (Canada, Italy, and Japan) decreased HIV disbursements in 2013. While HIV assistance from the Netherlands also decreased in 2013, this is due to a shift in support from bilateral HIV funding to the Global Fund.

Figure 2. International HIV Assistance: Donor Governments as a Share of Total Donor Government Disbursements, 2013

![Figure 2. International HIV Assistance: Donor Governments as a Share of Total Donor Government Disbursements, 2013](image)

**Figure 2. International HIV Assistance: Donor Governments as a Share of Total Donor Government Disbursements, 2013**

- **United States**: 66.4%
- **United Kingdom**: 10.0%
- **France**: 4.8%
- **Germany**: 3.4%
- **Denmark**: 2.3%
- **Netherlands**: 2.2%
- **Sweden**: 2.0%
- **Australia**: 1.7%
- **Canada**: 1.7%
- **Norway**: 1.4%
- **Japan**: 1.2%
- **European Commission**: 1.2%
- **Ireland**: 0.7%
- **Italy**: 0.0%
- **Other Governments**: 1.0%

**US$8.5 billion Total Disbursements**

The decline in funding from Japan is largely attributable to a 2012 pre-payment of a portion of its 2013 Global Fund contribution; funding from Japan would have essentially remained stable between 2012 and 2013 had pre-payment of their Global Fund contributions not occurred.

Total assistance (bilateral HIV and the total Global Fund contribution) from the Netherlands increased in 2013, but after adjusting for the “AIDS share” of Global Fund disbursements, the net HIV assistance from the Netherlands declined.
Looking at specific governments provides insights into recent trends and potential scenarios moving forward. For instance, not only was the U.S. the single largest donor, but an increase in the U.S. disbursement rate in 2013 combined with an increased contribution to the Global Fund in fulfillment of its pledge drove the overall increase in nominal funding; without the U.S., funding would have remained essentially flat. The U.S. increase, however, is likely an anomaly as the U.S. disbursed funding from prior years and recent U.S. bilateral commitments (enactments) have been on the decline (see Box 3). Since 2010, most donor governments have either decreased funding or maintained prior year levels. Increases in 2013 by Denmark, France, and the U.K. follow declines in recent years; funding from each of these donors in 2013 either matches or is below prior year levels.

Box 3: U.S. Snapshot

The U.S. was the largest donor to HIV efforts in low- and middle-income countries in 2013, accounting for two-thirds of total international assistance for HIV/AIDS. In addition, the increase in total donor assistance in 2013 can be largely attributed to U.S. increases in bilateral disbursements and increased Global Fund contributions; without the U.S. increase, total donor assistance would have remained flat. However, U.S. increases are unlikely to continue in the future and may, in fact, decline.

The U.S. is the only donor government for which committed, or enacted, amounts remain available for disbursement over multiple years, and there has historically been a gap between commitments and disbursements (with the latter being below the former). In 2010, U.S. disbursements temporarily slowed, and declined, due to additional requirements put in place by Congress in the 2008 reauthorization of the President’s Emergency Plan for AIDS Relief (PEPFAR). Since 2010, however, the disbursement rate has increased and, in 2013, the U.S. disbursement rate exceeded commitments for the first time reducing the backlog of available funding in the U.S. pipeline.

The U.S. increase, however, is likely an anomaly due, not only to the decreased pipeline, but also recent decreases in commitments. After reaching a peak level in 2010, U.S. bilateral commitments have been on the decline with the proposed FY 2015 budget providing a funding level that is below FY 2008 levels. As the single largest donor, not only does a change in the fiscal environment affect the overall funding envelope, so does a change in the rate of disbursements.

The increase in the U.S. contribution to the Global Fund was towards fulfillment of a three-year (FY 2011-FY 2013), US$4 billion pledge made at the Global Fund replenishment meeting in 2010. The U.S. contribution to the Global Fund increased in each year between 2010 and 2013, the final year of the three-year pledge. However, while the contribution level for 2014 matches 2013, both the President and Congress have indicated that the 2015 contribution will decline by US$300 million – largely due to legislative requirements that the U.S. provide no more than 33% of the total contributions to the Global Fund.

The majority of international assistance for HIV has historically been provided by a subset of donors (France, Germany, the Netherlands, the U.K., and the U.S.), with the U.S. consistently being the single largest (in both bilateral disbursements and contributions to the Global Fund). Since 2006, these five donors have accounted for approximately 80% or more of total assistance for HIV.
BILATERAL/MULTILATERAL DISTRIBUTION

Assistance is provided by donor governments through both bilateral and multilateral channels, and some mix of the two (see Box 4). Decisions about how much assistance to provide through these different channels (what “mix” to use) are dependent on several factors, such as: the desired level of control over the use of funds by donors; varying approaches to cooperation and coordination; a donor’s own internal capabilities and field staff capacity for carrying out programs; and recipient country governance and capacity.

Box 4: Defining Bilateral and Multilateral Channels for Assistance

The different channels for delivery of international assistance can be described as follows:

**Bilateral assistance:** Direct assistance from one government to, or for the benefit of, one or more other countries. Bilateral assistance generally consists of projects and programs, the content and direction of which is decided by the donor, providing more direct control over decisions about how and where funding is targeted (e.g., donors can stipulate countries, conditions, etc.).

**Multilateral assistance:** Indirect assistance, in that it is provided by donor governments (usually unconditionally) to multilateral organizations that also receive funding from many other donors and in turn provide assistance to, or on behalf of, one or more countries. Multilateral assistance generally consists of projects and programs, the content and direction of which is decided by the multilateral organization, using pooled funding from multiple donors. Multilateral aid may enable donors to satisfy other goals, such as leveraging support from other donors, financing the response through alternative vehicles, reaching more or different countries and regions, and/or accessing different capacities. For example, a donor without a large field presence may choose to provide more of its aid through a multilateral mechanism.

**Multi-bi assistance (multilateral-bilateral):** Assistance provided by a donor to a multilateral organization for specific activities, as defined by the donor, and for which the multilateral organization acts as an implementing agent.

The majority of donor government assistance for HIV is provided bilaterally (see Figure 4), although in recent years there has been a shift towards greater multilateral contributions:

- In 2013, bilateral assistance accounted for 76% (US$6.4 billion) of total donor government assistance. Multilateral assistance, which accounted for 24% (US$2.0 billion), includes funding provided to the Global Fund and UNITAID. When the U.S. is removed, however, bilateral assistance accounted for 58% and multilateral assistance accounted for 42% of total donor government assistance.

- Contributions to the Global Fund totaled US$3.3 billion, of which US$1.9 billion (or 57%) represents an adjusted “AIDS share” based on the share of Global Fund approved grant funding for HIV.\(^5\) Funding for UNITAID totaled US$262 million, of which US$134 million (51%) represents an adjusted “AIDS share” based on UNITAID commitments for HIV through 2013.\(^6\) The U.S. was the largest donor to the Global Fund followed by France, Germany, and the U.K. France was the largest donor to UNITAID followed by the U.K. and Norway.
Nine of the governments reviewed provided the majority (more than 50%) of their total HIV assistance through bilateral channels while five governments (Canada, the European Commission, France, Germany, and Japan) channeled more than half through the Global Fund and UNITAID. However, in recent years, many donor governments have provided an increasing share of their total donor assistance for HIV through the Global Fund, including Australia, Canada, France, Germany, Ireland, the Netherlands, Norway, Sweden and the U.S. As the Global Fund provides support for three diseases – HIV, TB, and malaria – this could result in a decreasing share of funding for HIV over time.

At the same time, not all governments provided contributions to the Global Fund or UNITAID. In 2013, for example, twelve members of the DAC did not contribute to the Global Fund, including Italy and Spain, which have contributed in the past. In addition, only four DAC members contributed to UNITAID.

One question that often arises is what constitutes each government’s “fair share” of international HIV assistance efforts. Yet, such assessments are complex and there is no single, agreed-upon methodology for making them, and several questions must be considered, including:

- What is the “total” against which individual contributions are assessed? Estimated total funding by donor governments? Should that total include just direct HIV-related costs or be broadened to include critical infrastructure and capacity deficits?
- Which funders should be included in a fair share calculation? DAC governments only, or private sector, recipient government and out-of-pocket spending by individuals?
- To what extent should the efficiency of donor assistance be taken into account (e.g., how much is “tied” aid)?
- How should differences in relative wealth between donors be taken into account?

Based on analysis of the Global Fund’s Pledges and Contributions database and UNITAID’s 2013 Annual Report. The four DAC members that contributed to UNITAID in 2013 include: France, Norway, the Republic of Korea, and the U.K.
Should factors other than funding (e.g. differences in country tax subsidy policies for charitable giving for HIV by individuals, foundations, and corporations; patent policies) be taken into account?

These questions have implications for the methodology chosen to assess fair share and there are inherent limits in using any one methodology for doing so. For example, a rank by total funding does not capture the relative wealth of a nation. Yet a standardized measure including wealth does not take into account certain other donor policies that may inhibit or facilitate the amount of assistance such as tax subsidies for charitable giving. Table 2 provides several different comparative measures that could be used to assess fair share:

### Table 2: Assessing Fair Share Across Donors

<table>
<thead>
<tr>
<th>Government</th>
<th>Share of Total Donor Government Funding for HIV</th>
<th>Share of Global Resources Available for HIV</th>
<th>Share of World GDP</th>
<th>Total HIV Funding per US$1 Million GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1.7%</td>
<td>0.8%</td>
<td>2.0%</td>
<td>$95.64</td>
</tr>
<tr>
<td>Canada</td>
<td>1.7%</td>
<td>0.7%</td>
<td>2.5%</td>
<td>$77.45</td>
</tr>
<tr>
<td>Denmark</td>
<td>2.3%</td>
<td>1.0%</td>
<td>0.4%</td>
<td>$579.19</td>
</tr>
<tr>
<td>France</td>
<td>4.8%</td>
<td>2.1%</td>
<td>3.7%</td>
<td>$149.72</td>
</tr>
<tr>
<td>Germany</td>
<td>3.4%</td>
<td>1.5%</td>
<td>4.9%</td>
<td>$78.45</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.7%</td>
<td>0.3%</td>
<td>0.3%</td>
<td>$274.28</td>
</tr>
<tr>
<td>Italy</td>
<td>0.0%</td>
<td>0.0%</td>
<td>2.8%</td>
<td>$1.17</td>
</tr>
<tr>
<td>Japan</td>
<td>1.2%</td>
<td>0.5%</td>
<td>6.6%</td>
<td>$20.73</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.2%</td>
<td>1.0%</td>
<td>1.1%</td>
<td>$233.00</td>
</tr>
<tr>
<td>Norway</td>
<td>1.4%</td>
<td>0.6%</td>
<td>0.7%</td>
<td>$231.66</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.0%</td>
<td>0.9%</td>
<td>0.8%</td>
<td>$309.12</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10.0%</td>
<td>4.4%</td>
<td>3.4%</td>
<td>$332.07</td>
</tr>
<tr>
<td>United States</td>
<td>66.4%</td>
<td>29.4%</td>
<td>22.7%</td>
<td>$334.58</td>
</tr>
<tr>
<td>European Commission</td>
<td>1.2%</td>
<td>0.5%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Governments</td>
<td>1.0%</td>
<td>0.4%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

- **Rank by share of total donor government funding for HIV**: By this measure, the U.S. ranked first in 2013, followed by the U.K., France, Germany and Denmark (see Table 2 and Figure 2).

- **Rank by share of total resources available for HIV compared to share of the global economy** (as measured by GDP): In 2013, UNAIDS estimates that US$19.14 billion was made available for HIV from all sources (donor governments, multilaterals, the private sector, and domestic sources) for HIV. Of this the U.S. provided 29%, the largest share of any donor and above its share of the world’s economy as measured by gross domestic product or GDP (23% in 2013). Denmark, Sweden, and the U.K. also provided greater shares of total HIV resources than their shares of GDP (see Table 2 and Figure 5).

- **Rank by funding for HIV per US$1 million GDP**: When donor government disbursements are standardized by the size of their economies (GDP per US$1 million), donors rank quite differently than when measured by actual disbursement amounts. Whereas Denmark ranked fifth in actual disbursements provided for HIV in 2013, it ranked number one when standardized by GDP. The U.S. ranked second by this measure, followed by the U.K., Sweden, and Ireland (see Table 2 and Figure 6).
Even with increasing disbursements for HIV in 2013, there still remains a gap between available resources and estimated need, and there is a risk that the gap could grow. In 2013, total global funding available for HIV was estimated to be US$19.14 billion from all sources (donor governments, domestic spending, multilateral organizations, and private institutions), a slight increase (1%) above 2012 (US$18.9 billion). However, this is still below the US$22 to US$24 billion in annual funding estimated to be needed by 2015 to address the impacts of HIV. With the possibility of future donor government funding remaining flat or even declining, reaching these levels remains uncertain at best.
Conclusion

As this report shows, donor government funding commitments to address HIV in low- and middle-income countries fell in 2013. In addition, while disbursements for HIV actually increased in 2013, they were primarily driven by one donor, the U.S. government which accelerated its bilateral disbursements from prior years. This is likely an unsustainable anomaly due to decreased U.S. annual funding commitments and a diminishing pipeline of prior-year funding; without the U.S. increase, funding would have remained essentially flat. As such, future financing from donor governments remains uncertain, and while resources alone are not the only factor needed to respond to the epidemic, they continue to be critical to reaching global goals, including the hope of achieving an AIDS-free generation. Looking ahead, therefore, tracking donor government funding for HIV will remain key to understanding the future trajectory of the epidemic.
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 HIV 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, the Netherlands, Norway, Sweden, the United Kingdom, and the United States during the first half of 2014, representing the fiscal year 2013 period. Direct data collection from these donors was desirable because the latest official statistics on international HIV 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 2012 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 HIV 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 State reported amounts and EC reported amounts for international HIV 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 HIV assistance, and therefore is not included in the donor analysis.

Data for all other member governments of the OECD Development Assistance Committee (DAC) – Austria, Belgium, the Czech Republic, Finland, Greece, Iceland, Luxembourg, New Zealand, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Switzerland – were obtained from the OECD CRS database and UNAIDS records of core contributions. The CRS data are from calendar year 2012, and therefore, do not necessarily reflect 2013 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. UNAIDS core contributions reflect 2013 amounts.

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 U.K. U.S. bilateral “enacted” data, or “commitments”, correspond to amounts appropriated for the 2013 fiscal year. Global Fund contributions from all governments correspond to amounts received by the Fund during the 2013 calendar year, regardless of which contributor’s fiscal year such disbursements pertain to. Data from the U.K., Canada, Australia, Denmark, and Germany should be considered
preliminary estimates. With the exception of the U.S., disbursements were used as a proxy for “enacted” amounts.

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 57% of the donor’s total contribution, reflecting the Fund’s reported grant approvals for HIV-related projects to date and includes HIV/TB and Health System Strengthening (HSS) funding. 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 51% of the donor’s total contribution, reflecting UNITAID’s reported attribution for HIV-related projects to date. The entire French contribution to UNITAID as well as EUR64 million of the French contribution to the Global Fund was derived from air ticket taxes; 5% of total French Global Fund contributions in 2013 was provided in the form of technical assistance supporting implementation of Global Fund grants.

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 HIV assistance even if the multilateral organization in turn directs some of these funds to HIV. Rather, these would be considered as HIV 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.

Data collected directly from the Australian, Canadian, Japanese, U.K., 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 European Commission, 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 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 2013 (see: http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx).
Endnotes

1 UNAIDS, preliminary estimate of resources available from all sources, 2014. This estimate includes domestic expenditures (public and private) for all low- and middle-income countries, including five countries that transitioned into high income levels in 2013.


