



FINANCIAL RESOURCE FLOWS FOR POPULATION ACTIVITIES IN 2005





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Foreword

Funding for population activities is showing a significant increasing trend. The gap between ICPD financial goals and actual resources mobilized has been narrowing and has finally reached the agreed targets. It has taken over ten years for the international community to reach the financial targets of the Cairo Conference.

The present report shows that in 2005, population assistance increased to US \$7.4 billion and domestic resources are estimated at \$17.3 billion. Donor assistance to population represented 5.73 per cent of ODA, the highest percentage ever. Developing countries, as a group, also increased funding for population activities.

Indeed, the targets for 2005 have not only been met, but have been surpassed. This is good news indeed. It should be noted, however, that the recent increase in the flow of financial resources for assisting in the implementation of the ICPD Programme of Action has not been distributed evenly over the four ICPD categories of family planning, basic reproductive health services, STD/HIV/AIDS activities and basic research, data, and population and development policy analysis. The increase in resource mobilization for population has been primarily a result of increase in funding for HIV/AIDS activities, both prevention and treatment. Given the increased emphasis on addressing the global AIDS pandemic, including the Millennium Development Goal (Goal 6) of combating HIV/AIDS, malaria and other diseases and the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria and the United States President's Emergency Plan for AIDS Relief, this trend is expected to continue. In fact, donor countries are expected to continue to spend a large percentage of their population assistance on HIV/AIDS activities. This is a good thing. We need a substantial amount of money to stop the spread of HIV/AIDS.

However, it is important to mobilize adequate resources for the other equally critical components of the ICPD population package, especially for family planning and reproductive health. If the trend towards decreased funding for family planning and reproductive health is not reversed, it will affect progress in the achievement of the Millennium Development Goals.

It is also important to note that, despite the significant increases in funding for population activities, the resources mobilized are still not sufficient to meet current needs in developing countries that are far larger than anticipated when the Cairo financial targets were agreed upon. Back then, the population and health situation in the world was very different. No one foresaw the extent of the HIV/AIDS epidemic in the twenty-first century. Infant, child and maternal mortality remains unacceptably high in many parts of the world. Health-care costs have increased substantially and the value of the dollar today is far lower than it was then. As a result, the Cairo target of \$18.5 billion in 2005 is not sufficient to finance population and AIDS programmes in developing countries.

The reality is that the ICPD financial targets are simply not sufficient to meet today's growing needs. The increases in funding are still not adequately addressing the AIDS crisis. And we need additional resources for family planning and reproductive health services. Most developing countries are not in a position to fund much-needed population and AIDS programmes. Poor countries are faced with many competing development priorities and many of them simply cannot afford to make the necessary investments in population. They require considerable donor assistance.

The challenge for the international community is to continue to mobilize adequate resources to implement the ICPD agenda and to meet today's growing needs.

We would like to take this opportunity to thank the donor Governments, the Governments and relevant agencies and organizations of developing countries, as well as NGOs, foundations, multilateral organizations and agencies in developed countries, for providing the information contained in this report. We also wish to thank the United Nations Population Fund (UNFPA) Country Offices for their kind cooperation, the Joint United Nations Programme on HIV/AIDS (UNAIDS) for their continued support and the Netherlands Interdisciplinary Demographic Institute (NIDI) for the excellent collaboration in the data collection.

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Financial Resource Flows for Population Activities in 2005

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List of Abbreviations

| | | |
|---|----------|--|
| • | DAC | Development Assistance Committee |
| • | DESA | Department for Economic and Social Affairs |
| • | ECA | United Nations Economic Commission for Africa |
| • | ECE | United Nations Economic Commission for Europe |
| • | ECLAC | United Nations Economic Commission for Latin America and the Caribbean |
| • | ESCAP | United Nations Economic and Social Commission for Asia and the Pacific |
| • | ESCWA | United Nations Economic and Social Commission for Western Asia |
| • | FAO | Food and Agriculture Organization |
| • | GNP | Gross national product |
| • | HIV/AIDS | Human immunodeficiency virus/acquired immunodeficiency syndrome |
| • | IBRD | International Bank for Reconstruction and Development |
| • | ICPD | International Conference on Population and Development |
| • | IDA | International Development Association |
| • | IIHMR | Indian Institute of Health Management Research |
| • | ILO | International Labour Organization |
| • | IMF | International Monetary Fund |
| • | IPPF | International Planned Parenthood Federation |
| • | MDG | Millennium Development Goal |
| • | NGO | Non-governmental organization |
| • | NAA | National AIDS Account |
| • | NHA | National Health Account |
| • | NIDI | Netherlands Interdisciplinary Demographic Institute |
| • | ODA | Official development assistance |
| • | OECD | Organisation for Economic Co-operation and Development |
| • | STD | Sexually transmitted disease |
| • | SWAps | Sector-wide approaches |
| • | UN | United Nations |
| • | UNAIDS | Joint United Nations Programme on HIV/AIDS |
| • | UNDP | United Nations Development Programme |
| • | UNESCO | United Nations Educational, Scientific and Cultural Organization |
| • | UNFPA | United Nations Population Fund |
| • | UNICEF | United Nations Children's Fund |
| • | UNIFEM | United Nations Development Fund for Women |
| • | WHO | World Health Organization |

Glossary of Terms

- **BILATERAL CHANNEL.** The bilateral channel includes funds that flow directly from donor Governments to recipient country Governments.
- **CONSTANT DOLLARS.** Constant dollars are current dollars that have been adjusted to measure a value over a series of years at the prices prevailing during a particular year. In this report, 1993 - the year in which the ICPD cost estimates were made - was selected as the base year.
- **CURRENT DOLLARS.** Current dollars are dollar figures prevailing at the time of measurement. In this report, current dollars were taken as reported by the organizations surveyed. Non-dollar currencies were converted to US dollars using the International Monetary Fund (IMF) period-average exchange rates for the year the funds were expended for population assistance.
- **DONOR COUNTRIES.** In this report, donor countries refer to the 22 developed donor countries and the European Union, all of which are members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC). The 22 donors are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.
- **DEVELOPMENT BANKS.** Development banks include the World Bank and the regional development banks including the African Development Bank, Asian Development Bank, and the Inter-American Development Bank.
- **FINAL EXPENDITURES.** Final expenditures refer to funds that have been received by developing countries directly from donor Governments or through intermediate donors. The final recipients may be developing-country Governments, national NGOs, or donors' field offices in developing countries. The programmes in which expenditures are made do not necessarily have to be located in developing countries and may include activities, such as research, that benefit more than one developing country or region.
- **INTERMEDIATE DONORS.** Intermediate donors include multilateral organizations and agencies incorporated into the United Nations system, the development banks, and international NGOs that channel funds for population assistance from the primary donors to the recipients.
- **MULTILATERAL CHANNEL.** The multilateral channel includes general funds that are not earmarked for specific population activities which multilateral organizations receive from developed countries, funds from developing countries, and interest earned on income.
- **MULTI-BILATERAL CHANNEL.** The multi-bilateral (multi-bi) channel includes bilateral funds earmarked for specific population activities that are channelled through multilateral organizations.
- **MULTILATERAL ORGANIZATIONS AND AGENCIES.** In this report, multilateral organizations and agencies refer to the United Nations organizations and agencies, including the Department for Economic and Social Affairs (DESA), Food and Agriculture Organization (FAO), International Labour Organization (ILO), United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Population Fund (UNFPA), and World Health Organization (WHO), the World Bank, and the regional commissions, namely, United Nations Economic Commission for Africa (ECA), United Nations Economic Commission for Europe (ECE), United Nations Economic Commission for Latin America and the Caribbean (ECLAC), United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), and United Nations Economic and Social Commission for Western Asia (ESCWA).
- **NGO CHANNEL.** The NGO channel comprises funds from foundations and general contributions to NGOs active in the field of population and bilateral expenditures for specific population activities that are executed by NGOs.
- **NON-GOVERNMENTAL ORGANIZATIONS (NGOs).** Non-governmental organizations are private not-for-profit organizations that operate exclusively in one country (national NGOs) or in more than one country (international NGOs).
- **OFFICIAL DEVELOPMENT ASSISTANCE (ODA).** Official development assistance "consists of net disbursements of loans and grants made on concessional financial terms by official agencies of the members of the OECD/DAC and members of the Organization of Petroleum Exporting Countries (OPEC) to promote

economic development and welfare" (World Bank, *World Development Report 1995*, Oxford University Press, p. 238).

- **PRIMARY DONORS.** In this report, primary donors include 22 developed donor countries and the European Union that are members of OECD/DAC, and foundations.
- **PRIMARY FUNDS.** Primary funds refer to the financial resources contributed by a primary donor for population activities. Primary funds may be provided by a donor either directly to the developing country or to an intermediate donor such as a multilateral organization or international NGO. Primary funds also include self-generated income of intermediate donors as well as contributions which they receive from donor countries that are not members of OECD/DAC.

1 Introduction

Financial Resource Flows for Population Activities in 2005 is the nineteenth edition of a report published by the United Nations Population Fund (UNFPA) until 1997 under the title of *Global Population Assistance Report*. UNFPA has regularly collected data and reported on flows of international financial assistance to population activities. The Fund's annual reports focused on the flow of funds from donors through bilateral, multilateral and non-governmental channels for population assistance to developing countries¹ and countries with economies in transition. Also included were grants and loans from development banks for population activities in developing countries.

In light of the 1994 International Conference on Population and Development (ICPD) and, at the request of the Commission on Population and Development, UNFPA updated its reporting system and began collecting data on domestic resource expenditures in developing countries in addition to data on international population assistance. This report contains information on international assistance from 1995 to 2005 and domestic resource flows to population activities in 2005.

Since 1997, the Netherlands Interdisciplinary Demographic Institute (NIDI), under contract with and in collaboration with UNFPA, has carried out the data collection. Working with UNFPA, NIDI created a resource-flows database of both donor and domestic resources that is updated regularly. NIDI also carries out evaluation and analysis of the data in collaboration with UNFPA. In addition, 15 case studies were conducted to supplement the information gathered in the inquiry. Real-time estimates are produced to complement existing trend analysis. A resource flows web site was created in April 1997 with information about the project, UNFPA's annual *Financial Resource Flows for Population Activities*, survey questionnaires and reports of the case studies.

Beginning in 1999, UNFPA/NIDI and the Joint United Nations Programme on HIV/AIDS (UNAIDS) coordinated data collection concerning funds for HIV/AIDS activities to avoid duplication of efforts and maximize cost-effectiveness, as well as to minimize respondent fatigue. The UNFPA/UNAIDS/NIDI Resource Flows web site was updated and now also includes, *inter alia*, a preview of the latest available data on international population assistance and a Resource Flows Newsletter which was launched in 2004 to disseminate additional information including unpublished data and reports of thematic studies.

Financial Resource Flows for Population Activities in 2005 is intended to be a tool for donor and developing country Governments, multilateral organizations and agencies, private foundations and non-governmental organizations (NGOs) to monitor progress in achieving the financial resource targets agreed to at the ICPD. Development cooperation officers and policy makers in developing countries can use the report to identify the domestically generated resources and complementary resources from donors needed to finance population and reproductive health programmes.

¹ All references to developing countries in this report also include countries with economies in transition.

SPECIAL THEME BOX 1. THE NEW AID ENVIRONMENT

The provision of aid is no longer business as usual. Given limited financial resources, issues of cost-effectiveness and programme efficiency are increasingly at the forefront. It is not sufficient for resources to be mobilized; both donors and recipients must make sure that the resources are used for the benefit of all, especially the poor. Coordination of donor policies and identification of funding gaps are also essential. In an effort to reform the way in which aid is delivered and managed, ministers of both developed and developing countries responsible for promoting development and heads of multilateral and bilateral development institutions committed themselves to the Paris Declaration on Aid Effectiveness (March 2005) to increase the impact of aid on reducing poverty and inequality, increasing growth, building capacity and accelerating the achievement of the Millennium Development Goals.

The process of monitoring the Paris Declaration includes an aid-effectiveness review to help countries and development assistance agencies share a common evaluation of progress and jointly direct action and resources to strengthen ownership, alignment, harmonization, results and mutual accountability.

See http://www.adb.org/media/articles/2005/7033_international_community_aid/paris_declaration.pdf

2 Highlights of the Report

- In 2005, primary funds for international population assistance totalled \$US 7.0 billion.² If development banks' loans are added, the primary funds totalled \$7.4 billion.
- Total primary funds, including those of development banks, increased 54 per cent from the immediate pre-Cairo period to 1996, from a total of \$1.3 billion in 1993 to just over \$2 billion in 1996. After a slight decrease in 1997 international population assistance continued to increase from 1998-2000. In 2000, population assistance stood at \$2.6 billion, roughly 46 per cent of the \$5.7 billion target agreed upon in Cairo as the international community's share in financing the ICPD Programme of Action by the year 2000. After decreasing in 2001, population assistance increased steadily in 2002-2004. The international community finally reached and, indeed surpassed, its target in 2005.
- In 2005, primary funds from the 22 developed countries and the European Union (members of OECD/DAC) totaled \$6.3 billion. The top five donors were: the United States of America, the United Kingdom, the Netherlands, Japan and Canada, accounting for about 86 per cent of the primary funds in 2005.
- Population assistance from donor countries represented 5.73 per cent of official development assistance (ODA) in 2005, up from 5.39 per cent in 2004.
- According to the UNFPA/UNAIDS/NIDI resource flows survey, a total of 161 countries and territories benefited from international assistance for population activities in 2005. Of the population assistance going to the five geographic regions, sub-Saharan Africa received the largest share of assistance (61 per cent), followed by Asia and the Pacific, which received 21 per cent; Latin America and the Caribbean (9 per cent); Western Asia and North Africa (4 per cent); and Eastern and Southern Europe (5 per cent).
- Thirty-four per cent of the total population assistance went to global and interregional activities, such as advocacy; research; reproductive health; support to the Global Fund to Fight AIDS, Tuberculosis and Malaria; HIV/AIDS prevention, care and support and safe motherhood.
- The majority of final donor expenditures for population activities went to STD/HIV/AIDS activities (72 per cent); followed by basic reproductive health services (17 per cent); family planning services (7 per cent), and basic research, data and population and development policy analysis (4 per cent). The proportion of funding for family planning services has decreased considerably with the largest and increasing share of total population assistance going to fund HIV/AIDS activities. If not reversed, this trend towards less resources for family planning will have serious implications for countries' ability to address unmet need for such services and could undermine efforts to prevent unintended pregnancies and reduce maternal and infant mortality.
- Developing countries are making efforts to mobilize domestic resources for population activities. Domestic expenditures increased in 2005. However, funding levels are still not adequate to cover the cost of population activities. Most developing countries continue to rely heavily on external assistance to finance programmes.

² All subsequent references to dollars are to US dollars.

SPECIAL THEME BOX 2. MAJOR POPULATION NEWS EVENT IN 2005

In 2005, the international community gathered in New York to assess progress towards achieving the Millennium Development Goals agreed to five years earlier. At the 2005 World Summit, world leaders committed themselves to “achieving universal access to reproductive health by 2015, as set out at the International Conference on Population and Development, integrating this goal in strategies to attain the internationally agreed development goals, including those contained in the Millennium Declaration, aimed at reducing maternal mortality, improving maternal health, reducing child mortality, promoting gender equality, combating HIV/AIDS and eradicating poverty” (General Assembly resolution 60/1, para 57 (g)).

Indeed, as stated by Secretary-General Kofi Annan in December 2002, “The Millennium Development Goals, particularly the eradication of extreme poverty and hunger, cannot be achieved if questions of population and reproductive health are not squarely addressed. And that means stronger efforts to promote women’s rights, and greater investment in education and health, including reproductive health and family planning”.

Population dynamics and reproductive health are central to development and must be an integral part of development planning and poverty reduction strategies. Promoting the goals of the United Nations Conferences, including those of the International Conference on Population and Development, is vital for laying the foundation to reduce poverty in many of the poorest countries.

3 Methodology

How the Study Was Conducted

Data on donor assistance for population activities presented in this report were gathered with the use of a detailed questionnaire mailed to 103 key actors in the field of population and AIDS which account for most population assistance.³ These include donor countries that are part of the OECD/DAC and the European Union, multilateral organizations and agencies, major private foundations and other international NGOs that provide substantial population assistance. A total of 75 organizations responded to the survey of 2005 financial resource flows, including 23 OECD/DAC donor countries and the European Union; 12 multilateral organizations; 19 major foundations, 16 international NGOs, and 3 development banks. Telephone interviews were conducted, as necessary, for additional information and verification. Increasingly, information for donor countries is obtained from the OECD/DAC database.

For the international population assistance component, the data collection procedure was structured in such a way as to eliminate double counting in cases where primary funds passed through multiple channels of assistance before reaching the final recipient. All respondents, except primary donors, were asked to provide a breakdown of income by source. This procedure yielded an unduplicated count of total primary funds for population assistance and had the additional benefit of permitting a check for consistency of responses between two respondents, when one indicated the provision of funds to the other. Any discrepancies that were found were the result of differences in timing, definitions or exchange rates. All respondents, including donor countries, were asked to provide a breakdown of expenditures by recipient - whether developing country, multilateral organization or agency, or NGO.

The funds provided by a primary donor to a recipient country in year A are included under "primary funds" and "final expenditures" in year A. The funds provided by a primary donor to an intermediate donor in year A, but spent by that intermediate donor in a recipient country in year B, would be included under "primary funds" in year A and "final expenditures" in year B.

Information on domestic resource flows is based on estimates of global domestic expenditures for population activities using a methodology that incorporated reporting on actual and intended expenditures, secondary sources on national spending and, in the absence of such information, estimates were based on national income as measured by the level of gross domestic product which proved the most influential variable explaining the growth of spending by governments.⁴

In keeping with UNFPA's mandate to monitor progress towards the implementation of the ICPD resource targets required for financing population programmes in developing countries and countries with economies in transition, this report does not include funds for population activities that benefit only developed countries or funds contributed by developing countries to be expended in other developing countries.

The Costed Population Package

Earlier editions of the *Global Population Assistance Report* recorded population assistance that supported several categories of activities, including family planning programmes, demographic research, policy formulation, population education, and activities focused on women, whenever such activities were relevant to population. In the post-ICPD transitional years, modifications were made to reflect the ICPD costed population package.

The donor and domestic financial resource flows analysed in this report are part of the costed population package as specified in paragraph 13.14 of the ICPD Programme of Action: family planning services; basic reproductive health services; sexually transmitted diseases (STDs)/human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS) prevention activities; and basic research, data and population and development policy analysis. To further simplify reporting procedures all activities relating to

³ The questionnaires are available on the resource flows web site (<http://www.resourceflows.org>).

⁴ See Hendrik van Dalen and Mieke Reuser, *Assessing Size and Structure of Worldwide Funds for Population and AIDS Activities*, The Hague, 2004; Hendrik van Dalen and Mieke Reuser, *Projections of Funds for Population and AIDS Activities, 2004-2006* The Hague, 2005; and Marieke van der Pers and Erik Beekink, *Projections of Funds for Population and AIDS Activities, 2006-2008*, The Hague, 2007.

STD/HIV/AIDS, including diagnosis and treatment of STDs and referrals, education and counselling services for STDs, including HIV/AIDS are reported under the STD/HIV/AIDS prevention programme component described in the ICPD Programme of Action. Beginning with the 1999 round of questionnaires, the project began to include data on HIV/AIDS treatment and care to address the growing reporting needs of UNAIDS and because it was becoming increasingly impossible for respondents to provide information on HIV/AIDS prevention activities only.

The growing trend towards integration of services and the increasing use of sector-wide approaches (SWAs), particularly in health and education, make it more difficult to track the level of funding going to the costed population package described in paragraph 13.14 of the ICPD Programme of Action. The realities of data-recording systems are such that many respondents, both donor and developing, have difficulty reporting financial resource flows by the four categories described in the ICPD Programme of Action. Indeed, experience has shown that there are difficulties in disaggregating and differentiating the components of the costed package from the relevant population-related activities that are not included in paragraph 13.14 of the ICPD Programme of Action, especially in integrated development projects. The trend towards integration of services, consistent with the ICPD call for the integration of reproductive health with basic health services, also makes it increasingly difficult to distinguish among the four categories of population activities.

SPECIAL THEME BOX 3. THE ICPD COSTED POPULATION PACKAGE

- **FAMILY PLANNING SERVICES** - contraceptive commodities and service delivery; capacity-building for information, education and communication regarding family planning and population and development issues; national capacity-building through support for training; infrastructure development and upgrading of facilities; policy development and programme evaluation; management information systems; basic service statistics; and focused efforts to ensure good quality care.
- **BASIC REPRODUCTIVE HEALTH SERVICES** - information and routine services for prenatal, normal and safe delivery and post-natal care; abortion (as specified in paragraph 8.25 of the ICPD Programme of Action); information, education and communication about reproductive health, including sexually transmitted diseases, human sexuality and responsible parenthood, and against harmful practices; adequate counselling; diagnosis and treatment of sexually transmitted diseases (STDs) and other reproductive tract infections, as feasible; prevention of infertility and appropriate treatment, where feasible; and referrals, education and counselling services for sexually transmitted diseases, including HIV/AIDS, and for pregnancy and delivery complications.
- **SEXUALLY TRANSMITTED DISEASES/HIV/AIDS PREVENTION PROGRAMME** - mass media and in-school education programmes, promotion of voluntary abstinence and responsible sexual behaviour and expanded distribution of condoms.
- **BASIC RESEARCH, DATA AND POPULATION AND DEVELOPMENT POLICY ANALYSIS** - national capacity-building through support for demographic as well as programme-related data collection and analysis, research, policy development and training.

Source: Programme of Action of the International Conference on Population and Development, para. 13.14.

More funds are channelled to population activities than are reported here because many integrated projects include population activities but the funds are not disaggregated by component. A number of countries expressed concern that large sums of money for population assistance may go unreported because they are part of integrated health, education or other social-sector projects. Respondents are asked to estimate the population component in integrated projects.

Moreover, in monitoring the flow of financial resources for assisting in the implementation of the ICPD Programme of Action, UNFPA has adhered to the classification of population activities of the costed population package described in paragraph 13.14 of the ICPD Programme of Action. The ICPD+5 and +10 review processes have shown that there has been progress in advancing the Cairo goals. Indeed, although resource targets have not been met, much more has been accomplished than is reported here. Countries indicate that a significant amount of resource flows goes to other population-related activities that address the broader population and development objectives of the Cairo agenda, but have not been costed out and are not part of the agreed target of \$17 billion.

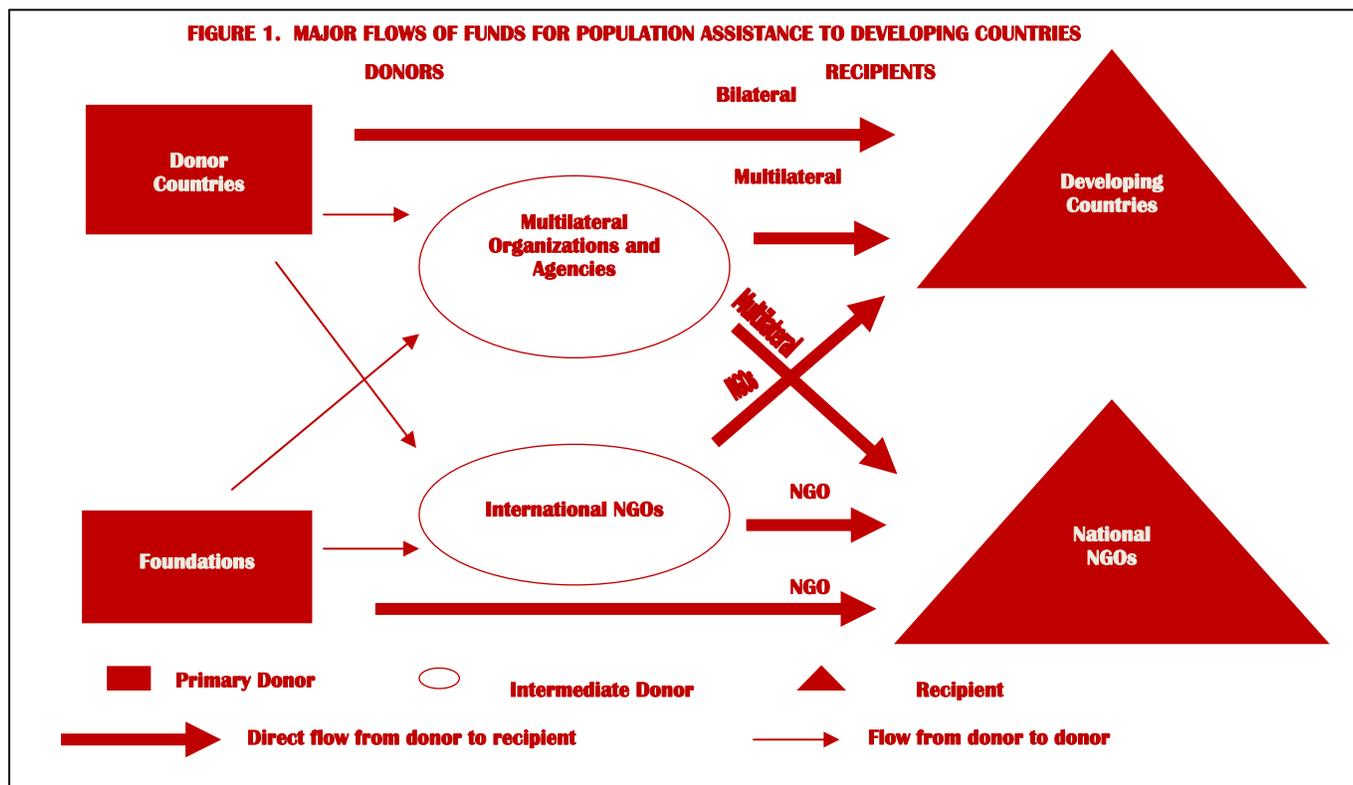
Finally, the information contained in this report is based on responses obtained from the Governments and institutions surveyed, supplemented with secondary sources and estimates. The figures should be treated as best available estimates.

In addition to data collection, NIDI had the primary responsibility for the evaluation and editing of the data as well as the construction of tables, graphs and maps. NIDI examined the questionnaires for completeness, consistency of internal data and consistency of response between donor and recipient respondents. International Monetary Fund (IMF) period average exchange rates were used to convert non-United States currencies into United States currency.

The International Population Assistance Network

Assistance for population programmes flows through a complex network, from donors to recipients through several channels (Figure 1). The channels include: (1) bilateral assistance directly from the donor-country Government to the recipient-country Government; (2) multilateral assistance, through United Nations organizations and agencies and (3) foundations and international NGOs. The international population assistance network includes two groups of donors: (1) primary donors, which are developed countries and private foundations and (2) intermediate donors, which are multilateral organizations and agencies, the development banks and international NGOs that channel most of the primary donors' funds for population assistance.

At the other end of the population assistance network are two groups of final recipients: (1) developing countries and countries with economies in transition that are the final beneficiaries of the programmes being funded and (2) national NGOs that receive funds for programmes that they themselves execute. Tables A.5 through A.9 provide the final donor expenditures for population assistance in the recipient countries. A total of 161 countries and territories received population assistance in 2005.



4 International Financial Resource Flows for Population Activities

Overview of International Population Assistance

Primary Funds

Table 1 provides an overview of primary funds and final donor expenditures for population assistance from 1995 to 2005. Figures for primary funds reflect the money originating from primary donors in a given year, compared with figures for final expenditures, which reflect the funds provided to a final recipient (developing country Government or NGO) in a given year.

| Year | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 ^b | 2001 ^c | 2002 ^d | 2003 | 2004 ^e | 2005 ^f |
|--------------------|-------|-------|-------|-------|-------|-------------------|-------------------|-------------------|-------|-------------------|-------------------|
| Primary Funds | 1,574 | 1,535 | 1,694 | 1,707 | 1,691 | 1,975 | 2,060 | 2,878 | 4,189 | 5,166 | 6,992 |
| Final Expenditures | 1,325 | 1,511 | 1,632 | 1,681 | 1,655 | 1,781 | 2,051 | 3,162 | 3,847 | 4,813 | 6,815 |

^a Development bank loans are not included in the primary funds or the final expenditure figures shown, as the banks' primary funds fluctuate widely. Their primary funds reflect large blocks of loan agreements made in a single year but intended to be expended over several years.

^b 2000 data differ from the figures in the 2000 report, due to additional data received. For primary funds, this change has been minor.

^c 2001 data differ from the figures in the 2001 report, due to additional data received. This change has been minor.

^d 2002 data differ from the figures in the 2002 report, due to additional data received.

^e 2004 data differ from the figures in the 2004 report, due to additional data received. For primary funds, this change has been minor.

^f The relative high increase for 2005 is caused by the incorporation of expenditures of the US PEPFAR programme.

International financial resource flows for population activities - primary funds for international population assistance - totalled \$7.4 billion in 2005 (Table 2). This figure, which includes loans from development banks, increased from 2004. If development bank loans are excluded, primary funds increased from \$5.2 billion in 2004 to \$7.0 billion in 2005.

Developed countries and the European Union are the largest source of primary funds, accounting for 91 per cent of international financial resource flows for population activities, excluding loans from development banks. Foundations and NGOs contributed 8 per cent of the total, and the United Nations system accounted for 1 per cent. Three per cent of international population assistance came from development bank grants.

Trends in Population Assistance in Current and Constant Dollars

In *current* dollars, total population assistance, excluding development bank loans, has grown from \$1.6 billion in 1995 to \$7.0 billion in 2005, at an average rate of 17 per cent annually (Figure 2). In *constant* dollars adjusted for inflation using 1993 prices - the year in which the ICPD cost estimates were made - international population assistance grew less rapidly than in current dollars, from \$1.5 billion in 1995 to \$5.2 billion in 2005, at 14 per cent annually (Table 2 and Figure 2).

Table 2. Primary funds for population assistance, by major donor category, 1995 –2005^a
(Millions of current and constant \$US)

| Donor category | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 ^b | 2003 | 2004 ^c | 2005 |
|---------------------------------------|------------------|-----------------|-------|-----------------|-----------------|-----------------|-----------------|-------------------|-------|--------------------|--------------------|
| Developed countries ^d | 1372 | 1,369 | 1,530 | 1,539 | 1,411 | 1,598 | 1,720 | 2,314 | 3,738 | 4,446 ^e | 6,346 ^f |
| United Nations System ^g | 111 ^h | 18 ⁱ | 49 | 35 ^j | 31 ^k | 77 ^k | 96 ^l | 31 | 43 | 61 ^m | 96 |
| Foundations/NGOs | 85 | 141 | 106 | 124 | 240 | 299 | 241 | 531 | 380 | 432 | 364 |
| Bank Grants | 6 | 8 | 9 | 10 | 9 | 1 | 3 | 2 | 28 | 227 | 186 |
| Total | | | | | | | | | | | |
| (Current \$US) | 1,574 | 1,535 | 1,694 | 1,707 | 1,691 | 1,975 | 2,060 | 2,878 | 4,189 | 5,166 | 6,992 |
| (Constant 1993 \$US) ⁿ | 1,492 | 1,414 | 1,525 | 1,513 | 1,467 | 1,657 | 1,680 | 2,312 | 3,289 | 3,952 | 5,173 |
| Development Banks^o | | | | | | | | | | | |
| World Bank IDA Loans | 306 | 253 | 142 | 284 | 265 | 368 | 349 | 232 | 239 | 75 | 127 |
| World Bank IBRD Loans | 142 | 256 | 92 | 142 | 182 | 170 | 101 | 95 | 261 | 213 | 188 |
| African Development Bank Loans | NA | NA | NA | - ^p | - | - | - | - | - | - | - |
| Asian Development Bank Loans | 12 | NA | 33 | - ^q | - ^r | 66 | - | - | - | - | - |
| Inter-American Development Bank Loans | NA | NA | NA | - ^s | 93 | - | 12 ^t | - | - | 73 | 52 |
| Total | | | | | | | | | | | |
| (Current \$US) | 460 | 509 | 266 | 426 | 540 | 604 | 461 | 328 | 501 | 361 | 367 |
| (Constant \$US) ⁿ | 436 | 469 | 239 | 378 | 468 | 506 | 376 | 263 | 393 | 276 | 271 |
| Grand Total | | | | | | | | | | | |
| (Current \$US) | 2,034 | 2,044 | 1,960 | 2,133 | 2,231 | 2,579 | 2,521 | 3,206 | 4,689 | 5,527 | 7,359 |
| (Constant \$US) | 1,929 | 1,883 | 1,765 | 1,891 | 1,935 | 2,163 | 2,057 | 2,575 | 3,683 | 4,228 | 5,445 |

^a Figures were rounded off and may not add to totals. NA indicates information not available for that year.

^b 2002 data differ from the figures in the 2002 report, due to additional data received.

^c 2004 data differ from the figures in the 2004 report, due to additional data received.

^d The developed countries category includes the total of UNFPA's income from developed countries, since any contribution to UNFPA is regarded as having been earmarked for population assistance. Beginning with 1994, the European Union is included with developed countries.

^e Data for the United States are estimated at the 2003 level since information for 2004 was not submitted.

^f - Greece: Information on general contributions to intermediate organizations was not reported. As a result, 2005 figures on general contributions are estimated at the 2003 level.

- Italy: Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2004 data.

- Finland: Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2003 data.

- United States: The relative high increase for 2005 is caused by the incorporation of expenditures of the US PEPFAR programme.

^g The United Nations system category includes contributions to population activities, mainly from UNAIDS, UNICEF, UNFPA and WHO that are part of general funds (not earmarked for population activities) from developed countries, developing countries and interest earned on income.

^h Figures for primary funds for population assistance for UNICEF were not provided for 1995. As a result, 1995 figures are estimated at the 1994 level.

ⁱ UNICEF only provided data on project expenditures. Data on income were not provided.

^j UNICEF and WHO did not provide data on income.

^k WHO did not provide data on income.

^l UNICEF did not provide data on income.

^m UNESCO and UNODC were not able to provide data; therefore 'UNAIDS Unified Budget and Workplan 2004-2005' (UBW) budget information was used as expenditure indication for 2004.

ⁿ The selection of 1993 as a base year for indicating constant dollars relates to the ICPD costed package year and serves only to permit an estimate of changes in real values, offsetting fluctuations caused by inflation and exchange rate variations.

^o The development banks' primary funds are shown separately because they are in the form of loans, which must be repaid.

^p The African Development Bank reported approving loans of \$US48 million for broad population and health programmes.

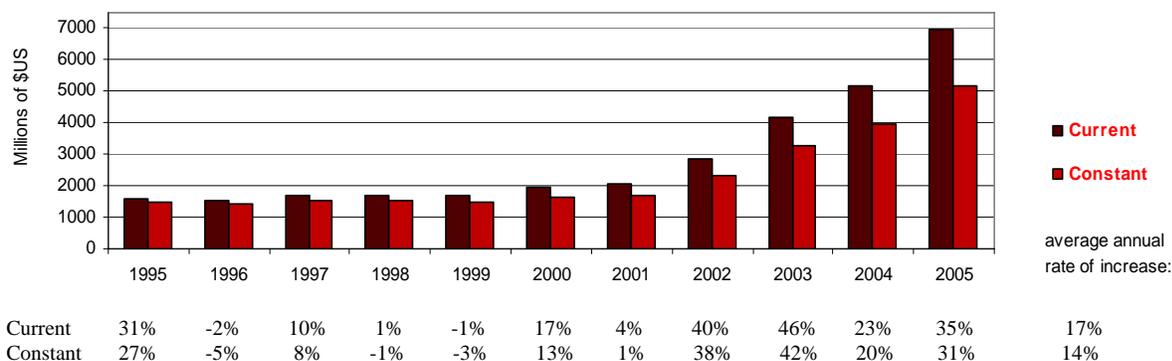
^q The Asian Development Bank reported expending \$US183 million in loans for integrated health projects with a population component.

^r The Asian Development Bank reported expending \$US347 million in loans for primary health programmes for which an undetermined amount was earmarked for population activities.

^s The Inter-American Development Bank reported expending \$US128 million in loans for integrated health projects with a population component.

^t The Inter-American Development Bank reported expending \$US35 million in loans for integrated health projects with a population component. The figure of \$US12 million for population activities is an estimate.

FIGURE 2. PRIMARY FUNDS FOR POPULATION ASSISTANCE, IN CURRENT AND CONSTANT DOLLARS, WITH PERCENTAGE CHANGE, 1995 - 2005



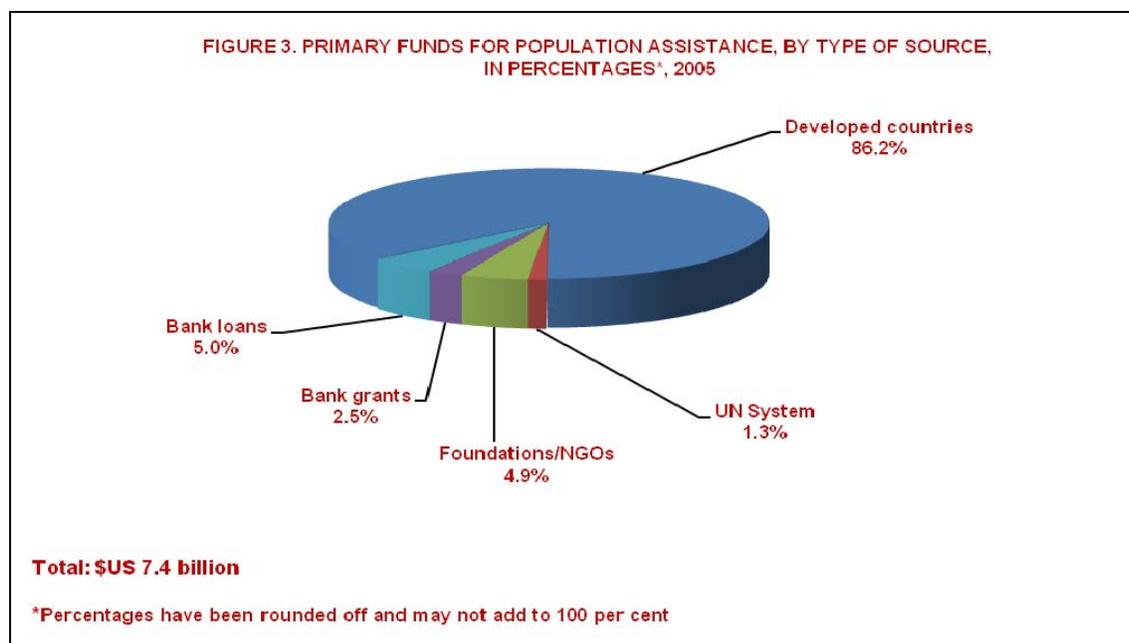
Final Donor Expenditures

Final expenditures on population projects and programmes in recipient countries in 2005 excluding development bank loans, increased to \$7.0 billion (Table 1).

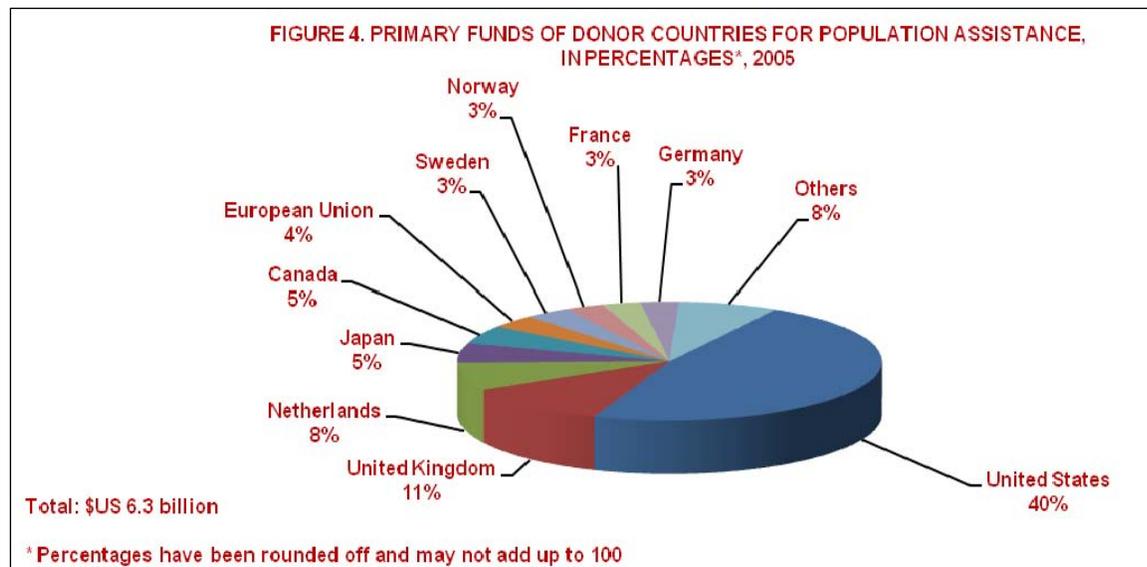
Trends in Bilateral Resource Flows

Overall Primary Funds

UNFPA monitors international population assistance from the 22 OECD/DAC donor countries and the European Union. Resource flows from the donor countries and the European Union totalled \$6.3 billion in 2005 and constituted 86 per cent of total resource flows, including development bank loans, or 91 per cent of resource flows excluding loans made available by development banks. Development bank loans accounted for 5 per cent of total population assistance in 2005 (Figure 3).



Resource flows from the 22 developed countries and the European Union increased from \$4.4 billion in 2004 to \$6.3 billion in 2005 (Table 2). Nine countries and the European Union accounted for 92 per cent of population assistance in 2005 (Figure 4).



- The top donors in 2005 were (in descending order): the United States, the United Kingdom, the Netherlands, Japan, Canada, the European Union, Sweden, Norway, France and Germany.
- UNFPA uses the United States dollar as the standard currency when monitoring resource flows. As a result, some countries that have increased their contributions in local currencies may, in fact, be reported as having decreased their population assistance in US dollar terms and countries that may have decreased their contributions may be recorded as having increased population assistance in US dollars. Of the countries that registered decreases in funding levels in terms of the US dollar, 2 countries had actually increased their contributions in terms of their local currency.

It should be pointed out that a small amount of bilateral resource flows originate in developing countries whose Governments assist other developing countries in the area of population and development. This report focuses only on flows from developed donor countries.

Table 3. Primary funds of donor countries for population assistance, 1998-2005
(Thousands of current local currency)

| Donor Country | Local Currency | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 ^a | 2005 |
|----------------|------------------------|------------|------------|------------|------------|------------|------------|-------------------|------------|
| Australia | Australian Dollar | 70,801 | 47,311 | 25,198 | 25,286 | 39,075 | 59,763 | 74,483 | 96,104 |
| Austria | Euro | 22,089 | 18,722 | 12,972 | 15,053 | 1,611 | 2,417 | 2,756 | 3,876 |
| Belgium | Euro | 368,375 | 395,474 | 689,076 | 21,386 | 46,717 | 23,391 | 38,206 | 45,365 |
| Canada | Canadian Dollar | 57,216 | 55,286 | 55,603 | 19,652 | 130,055 | 79,087 | 131,339 | 385,236 |
| Denmark | Danish Crown | 402,826 | 382,819 | 360,824 | 406,595 | 581,340 | 391,628 | 537,713 | 552,791 |
| Finland | Euro | 123,523 | 111,382 | 127,295 | 157,670 | 25,798 | 20,997 | 20,997 | 19,022 |
| France | Euro | 85,058 | 49,112 | 87,818 | 9,211 | 88,652 | 50,114 | 157,480 | 147,010 |
| Germany | Euro | | 219,887 | 204,266 | 121,429 | 113,096 | 117,037 | 108,535 | 145,999 |
| Greece | Euro | | | | 4,798 | 62 | 8,234 | 4,863 | 8,413 |
| Ireland | Euro | - | 1976 | 3,618 | 6,990 | 12,486 | 23,734 | 19,939 | 51,217 |
| Italy | Euro | 11,085,877 | 18,255,535 | 52,256,849 | 54,176,849 | 48,989,446 | 23,983 | 18,466 | 18,628 |
| Japan | Japanese Yen | 11,634,854 | 12,722,755 | 14,082,702 | 14,018,049 | 22,520,909 | 14,229,765 | 30,960,541 | 37,300,690 |
| Luxembourg | Euro | 154,508 | 125,448 | 468,743 | 253,653 | 7,900 | 7,309 | 10,122 | 10,381 |
| Netherlands | Euro | 236,517 | 239,552 | 405,973 | 147,547 | 174,058 | 244,049 | 338,721 | 385,221 |
| New Zealand | New Zealand Dollar | 4,315 | 4,375 | 5,047 | 5,112 | 7,085 | 10,167 | 12,080 | 15,247 |
| Norway | Norwegian Crown | 538,677 | 480,986 | 527,725 | 386,284 | 641,214 | 649,983 | 1,123,486 | 1,213,307 |
| Portugal | Euro | 1,244 | 440 | 400 | 689 | 571 | 1,119 | 3,979 | 5,268 |
| Spain | Euro | 645,450 | 1,478,600 | 1,118,668 | 16,069 | 3,486 | 26,537 | 28,372 | 53,768 |
| Sweden | Swedish Crown | 622,240 | 508,978 | 670,144 | 581,220 | 593,271 | 645,399 | 1,447,751 | 1,636,460 |
| Switzerland | Swiss Franc | 25,832 | 26,733 | 27,146 | 39,716 | 36,341 | 42,425 | 39,593 | 50,009 |
| United Kingdom | British Pound Sterling | 76,029 | 59,142 | 111,868 | 56,230 | 112,461 | 360,863 | 311,213 | 390,946 |
| United States | United States Dollar | 619,729 | 603,003 | 658,614 | 951,012 | 962,969 | 1,807,643 | 1,807,643 | 3,010,627 |

^a 2004 data differ from the figures in the 2004 report, due to additional data received.

^b The 1999 figure for Australia includes only expenditures for projects exclusively dedicated to population activities and excludes expenditures for the population component in integrated development projects.

^c Information on expenditures for population projects/programmes was not provided or fully reported. Figures are estimated based on project/programme data from the year 2000.

^d Austrian Shilling.

^e Austria and France reported information only on contributions to multilateral donors in 1999. No information on project expenditures was provided.

^f Information on general contributions to intermediate organizations was not reported. As a result, 2004 figures on general contributions are estimated at the 2003 level.

^g Belgian Franc.

^h 2001 data differ from the figures in the 2001 report, due to additional data received.

ⁱ Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2002 data.

^j Originally Denmark reported in US dollars, for comparability reasons this number was converted to Danish Crowns (1US\$ = 0.167DC).

^k Finnish Mark.

^l No 2004 data have been provided; 2004 figures are estimated at the 2003 level.

^m Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2003 data.

ⁿ Information on expenditures for population assistance was not provided or fully reported; figure is estimated based on the latest year for which data was reported.

^o French Franc.

^p German Mark.

^q Greek Drachma.

^r Information on general contributions to intermediate organizations was not reported. As a result, 2005 figures on general contributions are estimated.

^s Irish Pound.

^t Italian Lira.

^u Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2000 data.

^v Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2004 data.

^w Luxembourg Franc.

^x Project/programme expenditures for 2002 have been estimated by the Ministry of Foreign Affairs in Luxembourg.

^y Netherlands Guilder.

^z United States Dollar.

^{aa} Spanish Peseta.

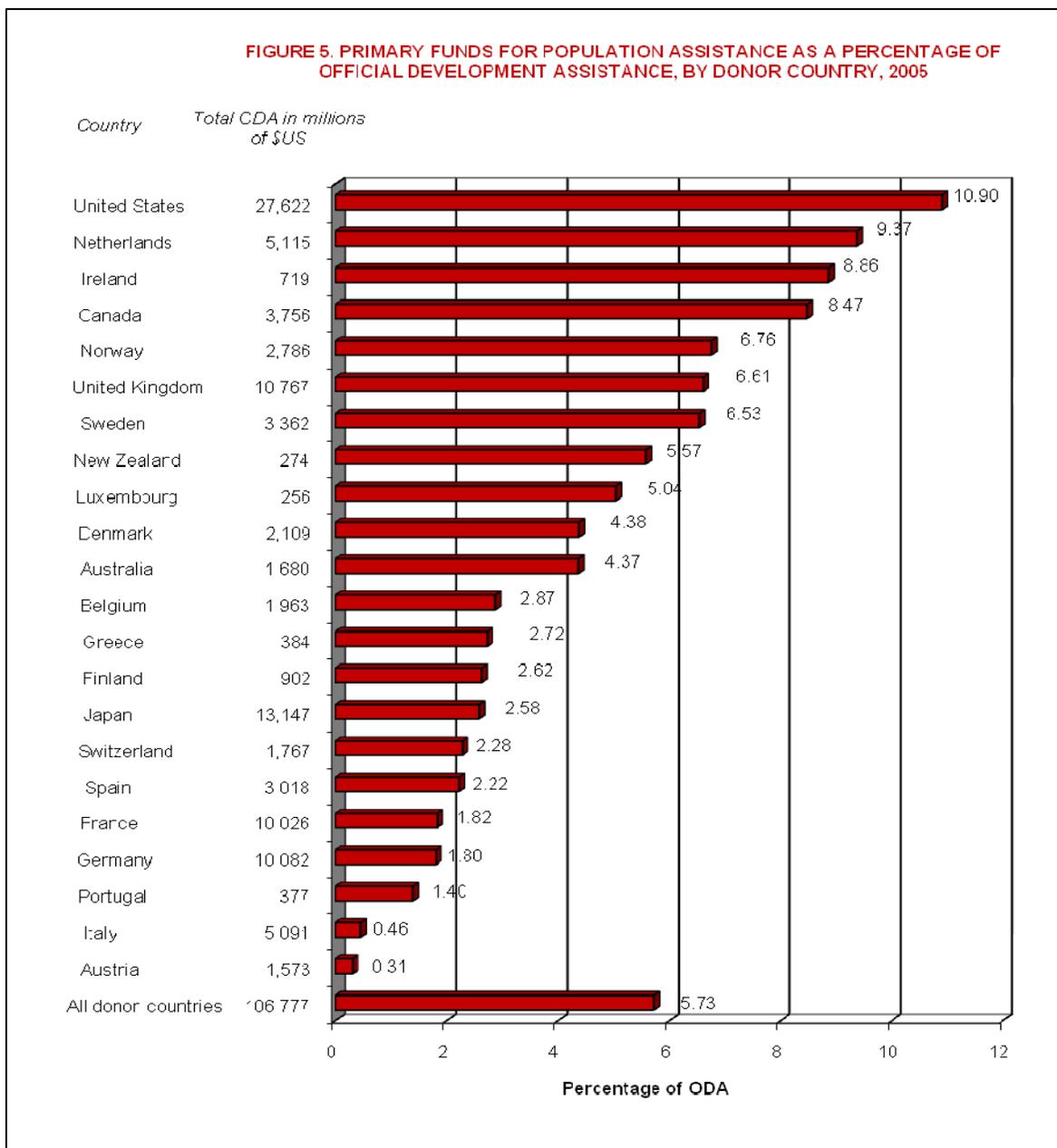
^{ab} Complete 2004 data were not provided by the publication deadline. As a result, 2004 figures are estimated at the 2003 level.

^{ac} The relative high increase for 2005 is the result of the incorporation of expenditures of the US PEPFAR programme.

Population Assistance as a Percentage of Official Development Assistance

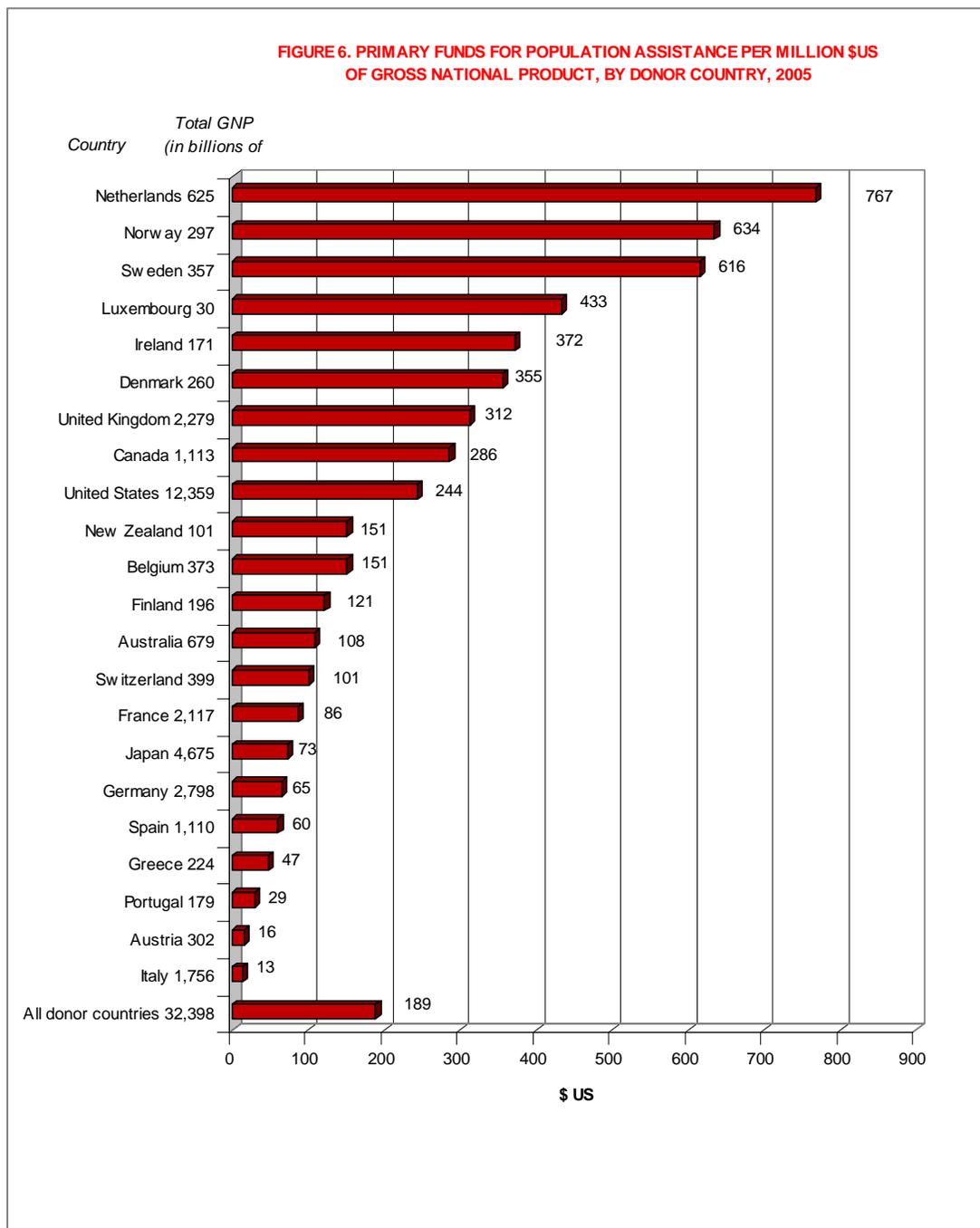
Donor countries contributed 5.73 per cent of their total official development assistance (ODA) to population assistance in 2005 up from 5.39 per cent in 2004 (Figure 5 and Table A2). Total ODA increased to \$106.8 billion in 2005, up from \$79.5 billion in 2004, the highest ever level of ODA.

Donor countries vary greatly in the proportion of ODA contributed for population assistance: percentages ranged from 0.31 per cent to 10.90 per cent. Eleven countries contributed more than 4 per cent of their total ODA for population assistance in 2005: the United States, the Netherlands, Ireland, Canada, Norway, the United Kingdom, Sweden, New Zealand, Luxembourg, Denmark, and Australia. Nine countries contributed a larger percentage of ODA for population assistance than they had in 2004.



Population Assistance in Relation to Gross National Product

A country's dedication to population assistance can also be measured by the amount of resources it contributes to population in relation to its gross national product (GNP). In 2005, donor countries contributed, on average, \$189 per million dollars of GNP for population assistance, up from \$139 per million dollars in 2004. (Figure 6 and Table A.3).



The average dollar amount conceals the large variation between countries, from \$13 to \$767 per million dollars of GNP. Fourteen countries spent over \$100 per million dollars of GNP in 2005, and two countries spent less than \$25 per million dollars of GNP. In 2005, the Netherlands led all donor countries in the total dollar contributions per million dollars of GNP to population assistance, earmarking \$767 for each million dollars of GNP for population activities. Denmark, the Netherlands, Norway and Sweden contributed well over \$100 per million dollars of GNP to population assistance each year in the past decade.

Trends in Multilateral Resource Flows for Population Activities

Multilateral assistance to population activities consists of contributions provided by the organizations and agencies of the United Nations system and loans and grants provided by development banks.

The United Nations System

Multilateral sources originating in the United Nations system are mainly funds from UNAIDS, United Nations Children's Fund (UNICEF), UNFPA and the World Health Organization (WHO). Whatever the United Nations agencies receive from DAC member countries for population assistance is considered to be funding from donor countries. Agencies' general funds, interest earned on funds, and money from income-generating activities that are spent on population activities are considered as multilateral assistance for population. Funds received from developing countries which agencies spend on population activities are a small portion of an agency's regular budget and are also included as multilateral assistance. Primary funds from the United Nations system totalled 96 million in 2005, increasing from \$61 million in 2004 (Table 2).

The significance of population assistance from multilateral organizations and agencies can best be measured by identifying the amount of funds *flowing through* these organizations for further distribution. In 2005, \$1.8 billion flowed through multilateral organizations and agencies. Because they originate with donor countries, these funds are not included under the multilateral category in Table 2 to avoid double counting.

As the leading provider of United Nations assistance in the population field, UNFPA continues to help countries achieve the goals and objectives of the ICPD Programme of Action. In 2005, UNFPA reported a total income of \$565 million as compared to \$506 million in 2004. This includes an income of \$366 million from regular funds, including voluntary contributions, and \$199 million from other resources, including trust funds and cost-sharing programme arrangements.

SPECIAL THEME BOX 4. UNFPA ASSISTANCE TO POPULATION ACTIVITIES

UNFPA has been the leading provider of United Nations assistance in the population field since it became operational in 1969. The world's largest international source of population assistance, UNFPA provides assistance to developing countries, countries with economies in transition and other countries at their request to help them address reproductive health and population issues, and raises awareness of these issues in all countries.

The Fund's main areas of work are: to help ensure universal access to reproductive health, including family planning and sexual health, to all couples and individuals; to support population and development strategies that enable capacity-building in population programming; to promote awareness of population and development issues; and to advocate for the mobilization of the resources and political will needed to accomplish its work. UNFPA is guided by, and promotes, the principles of the ICPD Programme of Action. The ICPD goals, especially those pertaining to reproductive health and reproductive rights, gender equality, women's empowerment and girls' education, are an integral part of efforts to improve quality of life and achieve sustainable social and economic development.

In 2005, UNFPA provided support to 148 developing countries, areas and territories and countries with economies in transition: 45 in sub-Saharan Africa, 36 in the Arab States and Eastern Europe, 36 in Asia and the Pacific, and 31 in Latin America and the Caribbean. The largest percentage of UNFPA assistance went to sub-Saharan Africa (\$78 million), followed by Asia and the Pacific (\$75.5 million), the Arab States and Europe (\$28.4 million), Latin America and the Caribbean (\$21.4 million) and Interregional and Global (\$31 million). Of the total regular resourced expenditures, UNFPA provided \$144.1 million in assistance to reproductive health, \$49.9 million for population and development, \$12.2 million for gender equality and women's empowerment and \$28.2 million for programme coordination and assistance.

As the lead United Nations organization for the follow-up and implementation of the ICPD Programme of Action, UNFPA is fully committed to working in partnership with Governments, the United Nations system, development banks, bilateral aid agencies, NGOs and civil society to ensure that the ICPD goals and objectives are met.

NOTE: See *UNFPA Annual Report 2005*.

Development Banks

Development banks, which provide loans to developing countries, are an important source of multilateral population assistance. Their contributions are treated separately because their assistance is in the form of loans, which must be repaid, rather than grants. The banks' projects reflect multi-year commitments, recorded in the year in which they are approved, but disbursed over several years. Most loans for population assistance come from the World Bank, which supports such activities as reproductive health and family planning service delivery, population policy development, HIV/AIDS prevention, and fertility survey and census work.

The World Bank's lending for population and reproductive health activities increased to \$315 million in 2005 from \$288 million in 2004 (Table 2). Of this amount, 40 per cent, or \$127 million, comprised International Development Association (IDA) loans, made at highly concessional rates, and 60 per cent, or \$188 million, comprised International Bank for Reconstruction and Development (IBRD) loans, made at rates closer to those prevailing in the market. The Inter-American Development Bank reported \$52 million in loans for population activities in 2005.

In recent years, it has become extremely difficult to disaggregate the population component in integrated projects and to isolate the costed population package from those activities that are not referred to in paragraph 13.14 of the ICPD Programme of Action. Many bank loans are used to finance basic social service programmes such as nutrition, integrated health and girls' education projects. Often, ICPD components such as family planning, reproductive health and HIV/AIDS-prevention services are embedded in these projects. However, record-keeping systems do not disaggregate funds allocated by the four main population categories defined in the Programme of Action. As a result, loans that are used to finance basic social service programmes and which include family planning, reproductive health and HIV/AIDS services go unrecorded because it is not possible to disaggregate funds allocated by the four ICPD categories.

In addition, the World Bank reported an expenditure of \$186 million to intermediate donors for special grants programmes in population in 2005.

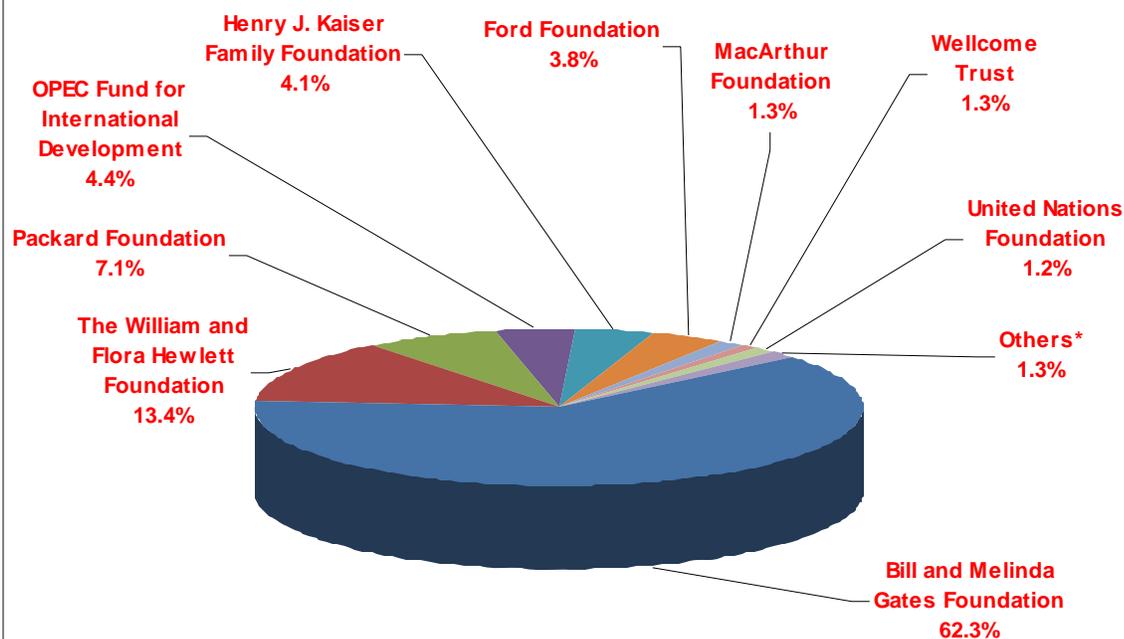
Trends in Resource Flows for Population Activities from Foundations and Non-Governmental Organizations

Foundations and international NGOs are important players in the field of population assistance. Each year, UNFPA/UNAIDS/NIDI seeks to obtain information on the amount of funds originating with the major foundations and international NGOs that are active in the population field. Together, these organizations contributed \$364 million for population assistance in 2005, up from \$432 million in 2004 (Table 2).

Major Foundations

Major foundations provided \$299 million in grants for population activities in 2005. The Bill and Melinda Gates Foundation accounted for 62 per cent of the funding that foundations made available for population activities in 2005. Other foundations that provided funds include, in descending order, the William and Flora Hewlett Foundation, the David and Lucile Packard Foundation, the OPEC Fund for International Development, the Henry J. Kaiser Family Foundation and the Ford Foundation. These 5 major foundations accounted for 95 per cent of the total population assistance from foundations in 2005 (Figure 7).

FIGURE 7. PRIMARY FUNDS OF FOUNDATIONS FOR POPULATION ASSISTANCE, IN PERCENTAGES, 2005



Total: \$US 298.6 million

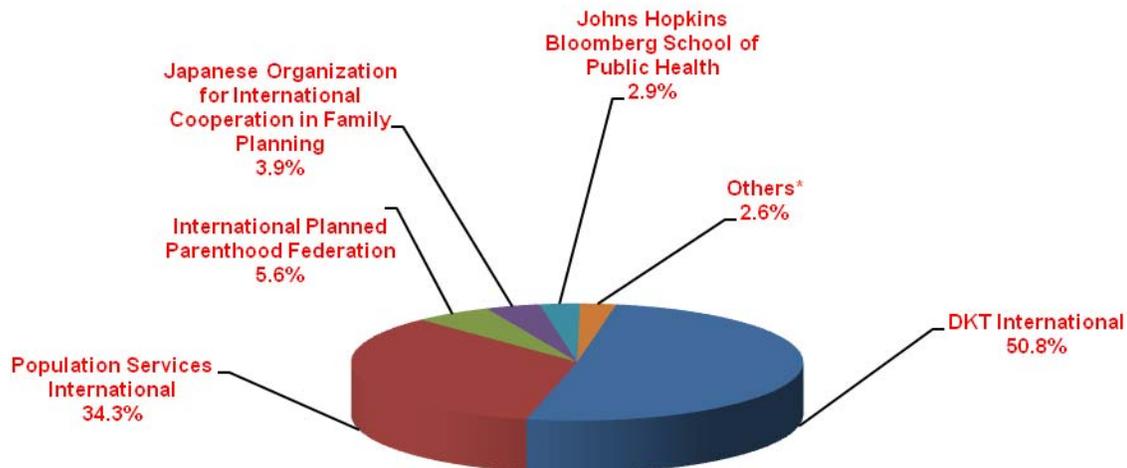
* "Others" consists of organizations with primary funds not exceeding 1 per cent of the total.

Non-Governmental

Organizations

Although most NGOs serve as intermediate donors that channel funds from primary donors such as Governments and foundations to developing countries, a number of NGOs provide funding for population activities out of their own resources directly to developing-country recipients. In 2005, \$65.6 million was earmarked for population activities in this way, of which 51 per cent came from DKT International, 34 per cent from Population Services International, 6 per cent from the International Planned Parenthood Federation and 4 per cent from the Japanese Organization for International Cooperation in Family Planning (Figure 8). Marie Stopes International, which provided the largest percentage of funding in the past few years, did not provide information on its 2005 expenditure by the publication deadline.

FIGURE 8. PRIMARY FUNDS OF INTERNATIONAL NGOs FOR POPULATION ASSISTANCE, IN PERCENTAGES, 2005



Total: \$US 65.6 million

* "Others" consists of organizations with primary funds not exceeding 1 per cent of the total.

** From 2003 on, The Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria is registered as a non-United Nations multilateral organization and does not appear in this figure.

*** Marie Stopes International, which provided the largest percentage of funding in 2004, is not included in this Figure because it did not provide the information by the publication deadline

Final Donor Expenditures for Population Activities

According to the UNFPA/UNAIDS/NIDI survey, a total of 161 countries and territories benefited from the \$6.8 billion in final donor expenditures for population activities in 2005 (Tables A.5-A.9).

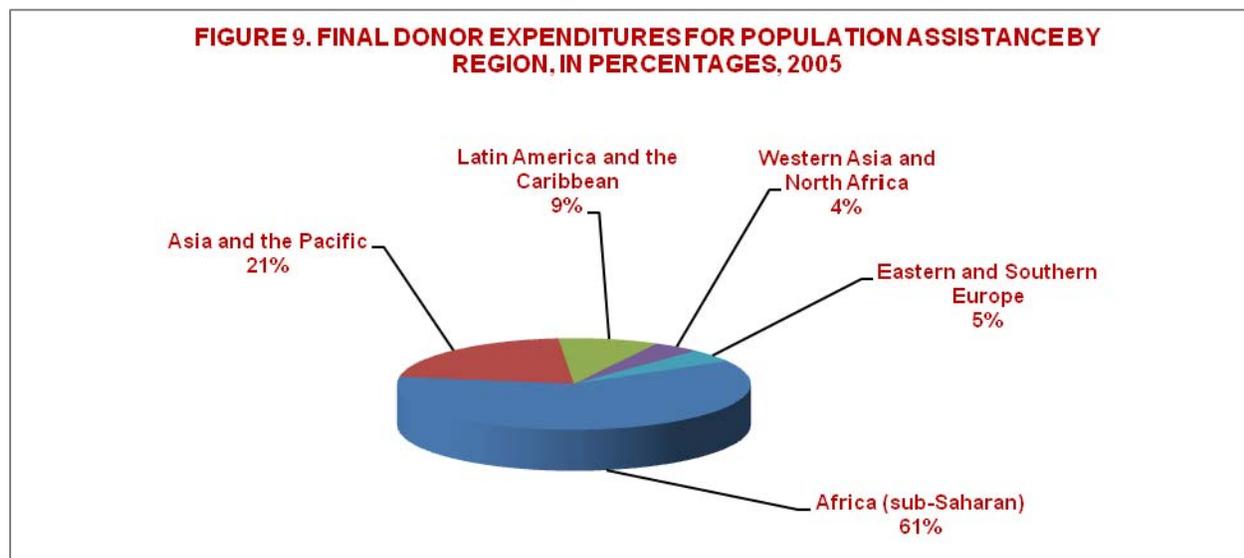
Final Donor Expenditures for Population Activities by Region

Of the five geographical regions, sub-Saharan Africa was the largest recipient of population assistance in 2005, followed by Asia and the Pacific. The distribution of population assistance among the regions was as follows: sub-Saharan Africa, 61 per cent; Asia and the Pacific, 21 per cent; Latin America and the Caribbean, 9 per cent; Western Asia and North Africa, 4 per cent; and Eastern and Southern Europe, 5 per cent.

In recent years, global and interregional population activities received an increasingly larger share of total international assistance, from 18 per cent in the pre-ICPD period in 1993 to 44 per cent in 2005. (Table A.4 and Figure 9). Compared with 2004 figures (which differ from the 2004 report due to additional information received), the 2005 final expenditures by region were as follows:

- Sub-Saharan Africa - \$2.3 billion in 2005, up from the 2004 level of \$1.4 billion;
- Asia and the Pacific - \$810 million in 2005, up from the 2004 level of \$522 million;
- Latin America and the Caribbean - \$354 million in 2005, up from the 2004 level of \$236 million;
- Western Asia and North Africa - \$165 million in 2005, up from the 2004 level of \$144 million;
- Eastern and Southern Europe - \$176 million in 2005, up from the 2004 level of \$59 million; and
- Global and Interregional - \$3.0 billion in 2005, up from the 2004 level of \$2.5 billion.

FIGURE 9. FINAL DONOR EXPENDITURES FOR POPULATION ASSISTANCE BY REGION, IN PERCENTAGES, 2005



Final Donor Expenditures for Population Activities by Channel of Distribution

Assistance for population activities flows from the donor to the recipient country through one of the following channels: (1) bilateral (2) multilateral or (3) non-governmental. Of the total amount spent for population assistance in 2005, 20 per cent was spent by international NGOs, while 24 per cent was channelled through multilateral organizations and 56 per cent was channelled through bilateral programmes (Table 4). The increase in percentage of funds flowing through the bilateral channel can be explained in part by the increase in funding for bilateral AIDS programmes.

- Final expenditures of bilateral organizations totalled \$3.8 billion in 2005, up from \$1.2 billion in 2004;
- Final expenditures of multilateral organizations and agencies totalled \$1.6 billion in 2005, up from \$1.5 million in 2004; and
- Final expenditures of NGOs totalled \$1.4 billion in 2005, down from \$2.1 billion in 2004.

Table 4. Final Donor Expenditures for Population Assistance, by Channel of Distribution, 1995-2005^a
(Millions of current \$US)

| Channel of distribution | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 ^b | 2001 | 2002 ^{c,d,e} | 2003 | 2004 ^{f,g} | 2005 ^h |
|---------------------------|-------|-------|-------|-------|-------|-------------------|-------|-----------------------|--------------------|---------------------|-------------------|
| Bilateral | 485 | 430 | 373 | 432 | 422 | 398 | 375 | 781 | 1,118 | 1,249 | 3,808 |
| % of Total | 37% | 28% | 23% | 26% | 25% | 22% | 18% | 25% | 29% | 26% | 56% |
| Multilateral ⁱ | 278 | 366 | 411 | 406 | 417 | 410 | 455 | 573 | 871 ^j | 1,478 | 1,649 |
| % of Total | 21% | 24% | 25% | 24% | 25% | 23% | 22% | 18% | 23% | 31% | 24% |
| NGO | 562 | 714 | 848 | 843 | 816 | 973 | 1,221 | 1,808 | 1,858 ^j | 2,086 | 1,359 |
| % of Total | 42% | 47% | 52% | 50% | 49% | 55% | 60% | 57% | 48% | 43% | 20% |
| Grand Total | 1,325 | 1,511 | 1,632 | 1,681 | 1,655 | 1,781 | 2,051 | 3,162 | 3,847 | 4,813 | 6,815 |

^a Figures and percentages have been rounded off and may not add to grand totals or 100 per cent.

^b 2000 data differ from the figures in the 2000 report, due to additional information received.

^c The channels from Luxembourg are estimated based on 2001 data. The channels from Italy are estimated based on 2000 data.

^d The channels from the European Union have been estimated by NIDI based on data from the European Commission and the DAC Watch of the European Union.

^e 2002 data differ from the figures in the 2002 report, due to additional data received.

^f Since no 2004 data have been provided on general contributions to intermediate organizations, the channels from Austria, Canada, Greece, Ireland, Italy, and Luxembourg are estimated at the 2003 level.

^g Since no 2004 data have been provided on expenditures, channels from Finland and the United States are estimated at the 2003 level.

^h - Greece: Information on general contributions to intermediate organizations was not reported. As a result, 2005 figures on general contributions are estimated at the 2003 level.

- Italy: Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2004 data.

- Finland: Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2003 data.

- United States: The relative high increase for 2005 is caused by the incorporation of expenditures of the US PEPFAR programme.

ⁱ The multilateral category does not include development bank loans, as the bank loan agreements are often disbursed over several years.

^j The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) is a non-UN multilateral organization. Therefore, since 2003, funds channeled through GFATM are included in the multilateral channel. In 2002 these funds were considered NGO channel.

Figures 10 to 15 indicate the trends in final donor expenditures for population activities by channel of distribution and region. In 2005, 56 per cent of all population assistance went through the bilateral channel. This was the predominant channel in Africa which was the main recipient of funds from the US PEPFAR programme. Twenty-four per cent of population assistance was channelled by multilateral sources and 20 per cent flowed through the NGO channel. While Africa relied heavily on bilateral sources, all the other regions received the majority of their population assistance via the multilateral.

- In sub-Saharan Africa, the NGO channel predominated every year except 1995 and 2005, when the bilateral channel provided the most population assistance. The NGO channel peaked at 63 per cent in 2001. The most assistance provided by the multilateral channel was in 2004. In 2005, 59 per cent of population assistance flowed through the bilateral channel, 25 per cent through the multilateral channel and 16 per cent through the NGO channel.
- In Asia and the Pacific, the NGO channel provided the most population assistance every year except in 1995 and 2002 when the bilateral channel predominated, and 2005, when the multilateral channel predominated. The most assistance provided by the multilateral channel was in 2005. In 2005, 30 per cent of population assistance flowed through the bilateral channel, 39 per cent through the multilateral channel and 31 per cent through the NGO channel.
- In Latin America and the Caribbean, the NGO channel predominated every year in the past decade except in 1995 and 2005, when the bilateral and multilateral channels, respectively, provided the

most population assistance. The multilateral channel fluctuated between a low of 15 per cent in 2000 and a high of 40 per cent of final expenditures for population in 2005. In 2005, 38 per cent of population assistance flowed through the bilateral channel, 40 per cent through the multilateral channel and 23 per cent through the NGO channel.

- In Western Asia and North Africa, the NGO channel fluctuated between a low of 22 per cent in 1995 and a high of 65 per cent in 2004. The bilateral channel provided most of the population assistance in 1995-1997 and again in 2002. The multilateral channel fluctuated between a low of 14 per cent in 2002 and a high of 33 per cent in 2003. In 2005, 28 per cent of population assistance flowed through the bilateral channel, 35 per cent through the multilateral channel and 37 per cent through the NGO channel.
- In Eastern and Southern Europe, the NGO channel fluctuated in importance from 31 per cent of population assistance in 1996 to 55 per cent in 1998. The bilateral channel was strongest in 1996, when it accounted for 58 per cent of assistance. The multilateral channel fluctuated over the years with a low of 11 per cent in 1996 and a high of 32 per cent in 1998. In 2005, 18 per cent of population assistance flowed through the bilateral channel, 50 per cent through the multilateral channel and 32 per cent through the NGO channel.
- Assistance to global and interregional population activities flowed chiefly through NGO channels from 1995 to 2003. The NGO channel accounted for well over half of the total final donor expenditures for global and interregional activities during most of the decade, peaking at 74 per cent in 2002 but declining to 32 per cent in 2004. The bilateral channel accounted for a small percentage of expenditures, while the multilateral channel ranged in importance from a low of 19 per cent in 2002 to a high of 35 per cent in 2004. In 2005, 66 per cent of population assistance flowed through the bilateral channel, 16 per cent through the multilateral channel and 18 per cent through the NGO channel.

FIGURE 10. FINAL DONOR EXPENDITURES FOR POPULATION ASSISTANCE IN AFRICA (SUB-SAHARAN), BY CHANNEL OF DISTRIBUTION, 1995-2005

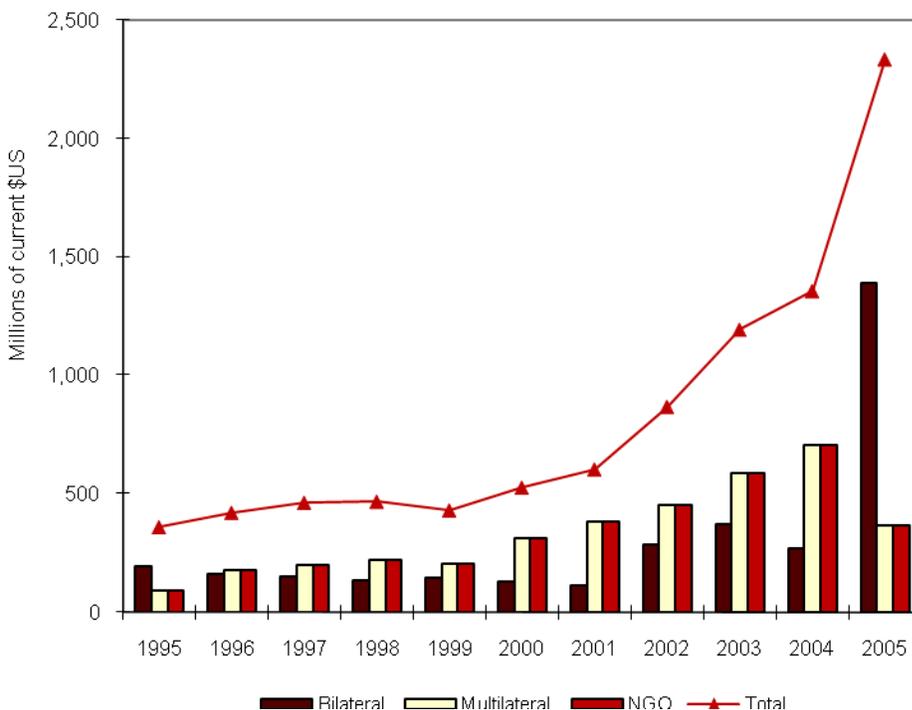


FIGURE 11. FINAL DONOR EXPENDITURES FOR POPULATION ASSISTANCE IN ASIA AND THE PACIFIC, BY CHANNEL OF DISTRIBUTION, 1995 - 2005

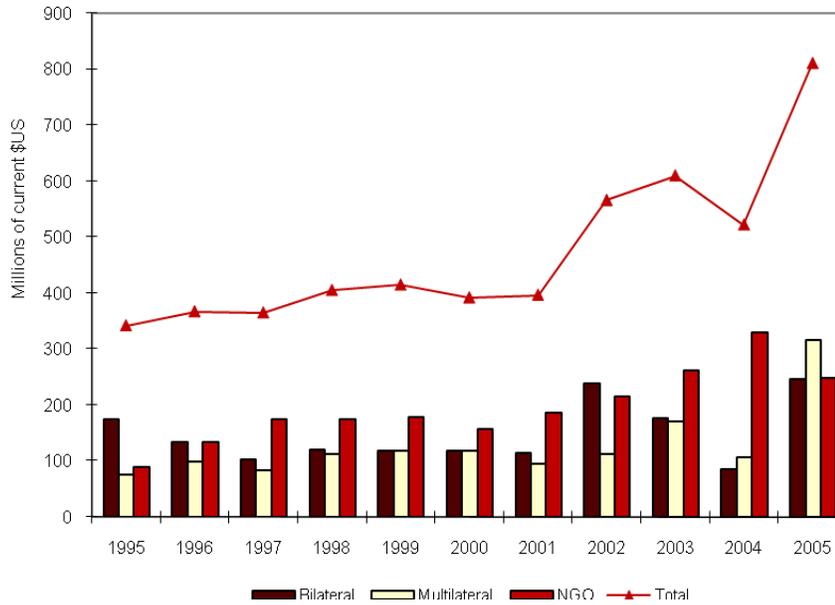


FIGURE 12. FINAL DONOR EXPENDITURES FOR POPULATION ASSISTANCE IN LATIN AMERICA AND THE CARIBBEAN, BY CHANNEL OF DISTRIBUTION, 1995-2005

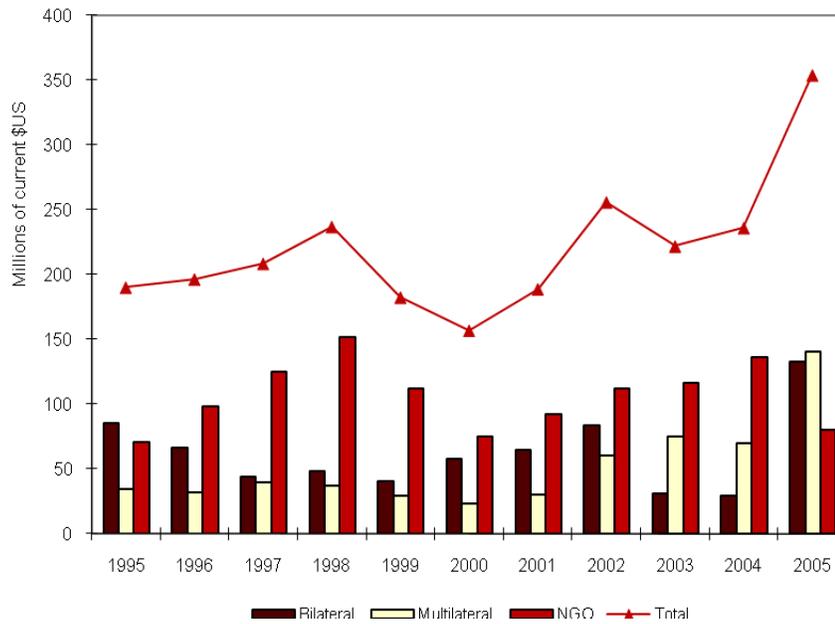


FIGURE 13. FINAL DONOR EXPENDITURES FOR POPULATION ASSISTANCE IN WESTERN ASIA AND NORTH AFRICA, BY CHANNEL OF DISTRIBUTION, 1995 - 2005

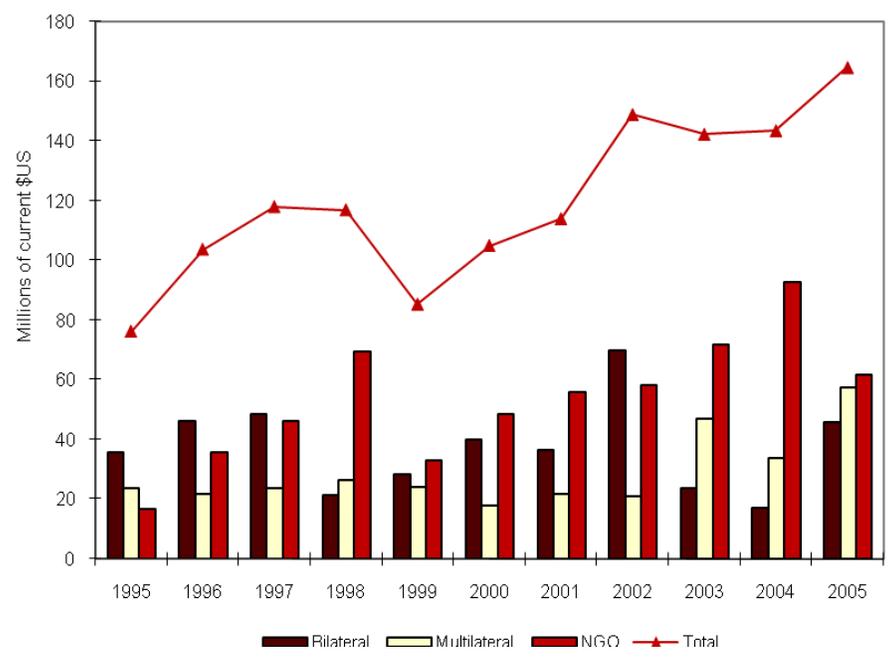


FIGURE 14. FINAL DONOR EXPENDITURES FOR POPULATION ASSISTANCE IN EASTERN AND SOUTHERN EUROPE, BY CHANNEL OF DISTRIBUTION, 1995-2005

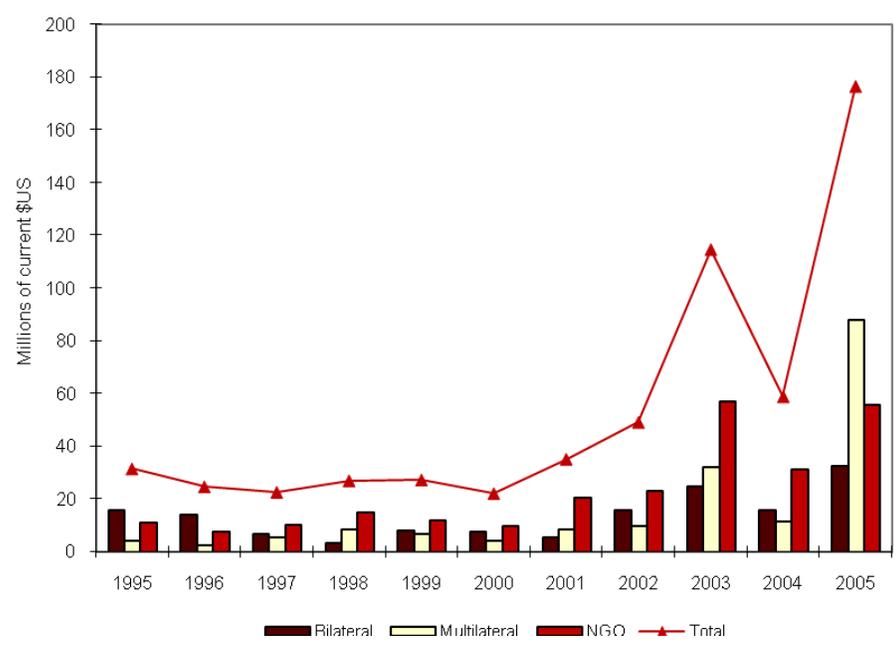
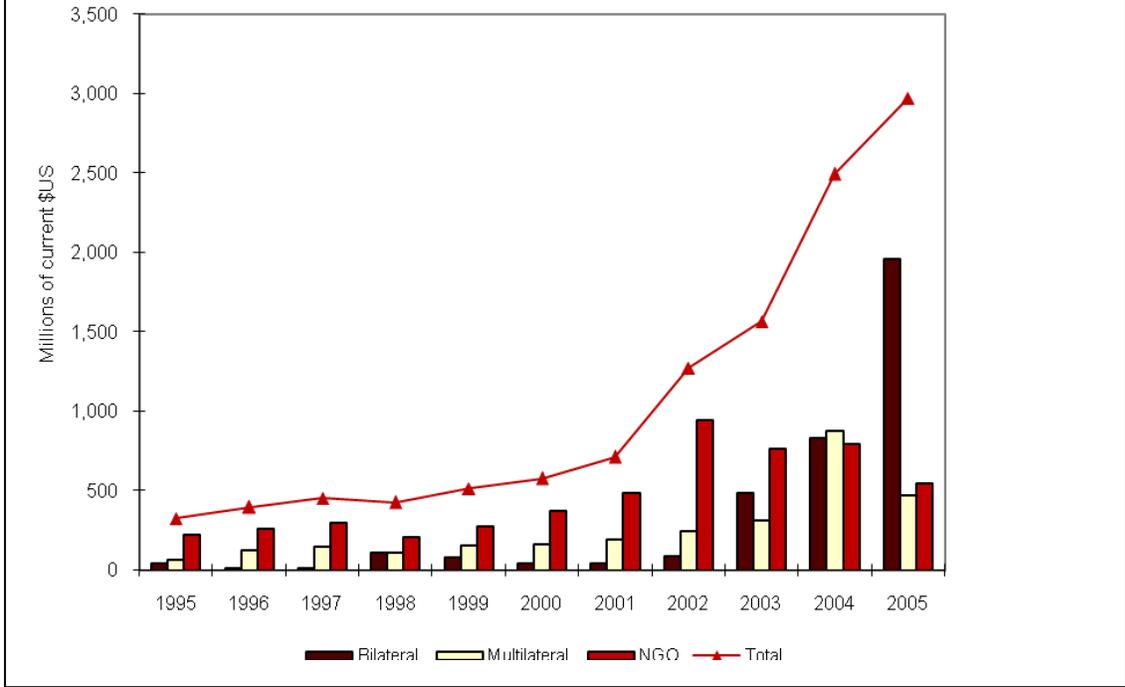
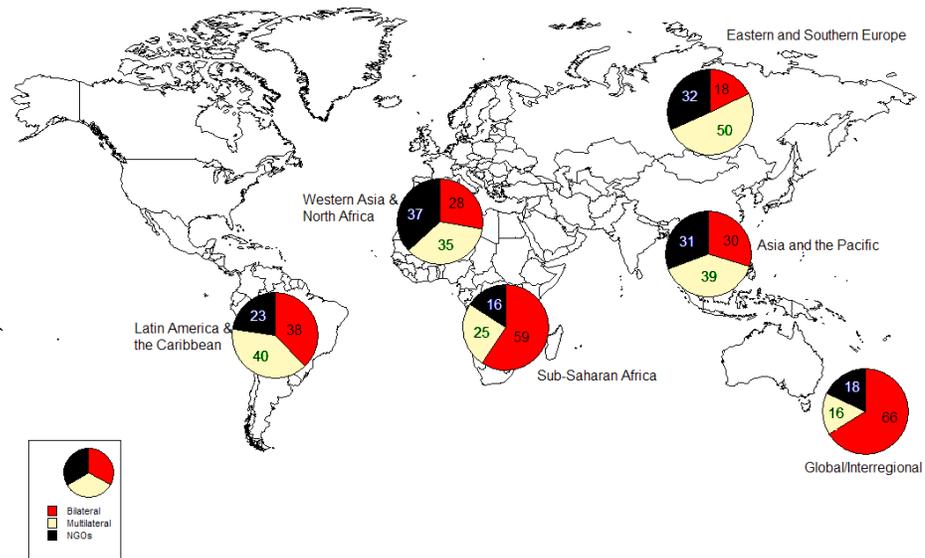


FIGURE 15. FINAL DONOR EXPENDITURES FOR POPULATION ASSISTANCE TO GLOBAL/INTERREGIONAL ACTIVITIES, BY CHANNEL OF DISTRIBUTION, 1995 - 2005



Map 1. Final Donor Expenditures for Population Assistance, by Region and Channel of Distribution, 2005 (percentages)



Final Donor Expenditures for Population Activities by Category of Activity

Seventy-two per cent of all population assistance in 2005 was expended for STD/HIV/AIDS activities. A total of 7 per cent of population assistance was expended for family planning services, 17 per cent for basic reproductive health services and 4 per cent was spent on basic research, data and population and development policy analysis. Funding for STD/HIV/AIDS increased steadily since 1995, from 9 per cent of total population assistance to 72 per cent in 2005 consistent with the spread of the HIV/AIDS pandemic. Funding for basic research, data and population and development policy analysis decreased steadily from 1995 to 2001, from 18 per cent to 8 per cent of total population assistance, increased to 12 per cent in 2004 and decreased once again in 2005. Consistent with the ICPD call for integration of services, funding for family planning services decreased from 55 per cent in 1995 to 7 per cent in 2005. Funding for basic reproductive health services was more erratic, increasing from 18 per cent in 1995 to 33 per cent in 1996, decreasing to 22 per cent in 1998, increasing once again to 30 per cent the following year, then declining to 24 per cent in 2001 but increasing to 28 per cent in 2003 and decreasing yet again to 17 per cent in 2005 (Table 5 and Figure 16). It is possible that this fluctuation is due to the difficulty in reporting of separate expenditures for family planning, reproductive health and STD/HIV/AIDS when these activities are part of integrated reproductive health services. The significant increase in the percentage of population assistance for HIV/AIDS and the subsequent decline in the percentage spent on family planning, reproductive health and basic research, data and policy analysis since 2004 is primarily the result of the incorporation of the US PEPFAR programme.

Table 5. Final donor expenditures for population assistance, by category of population activity, 1995 - 2005^{a,b}
(in percentages)

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 ^c | 2001 | 2002 ^{d,e,f} | 2003 | 2004 ^g | 2005 ^h |
|--|-------|-------|------------------|------------------|------------------|-------------------|-------|-----------------------|-------|-------------------|-------------------|
| Family Planning Services | 55% | 37% | 40% | 43% | 37% | 29% | 30% | 23% | 11% | 9% | 7% |
| Basic Reproductive Health Services | 18% | 33% | 27% ⁱ | 22% ^j | 30% ^j | 29% ^j | 24% | 25% | 28% | 22% | 17% |
| Sexually Transmitted Diseases and HIV/AIDS Activities | 9% | 16% | 18% | 20% | 22% | 32% | 39% | 42% | 48% | 57% | 72% |
| Basic Research, Data and Population and Development Analysis | 18% | 14% | 15% | 15% | 11% | 9% | 8% | 10% | 13% | 12% | 4% |
| Total Activities | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| (Millions of Current \$US) | 1,314 | 1,511 | 1,632 | 1,681 | 1,655 | 1,781 | 2,051 | 3,162 | 3,847 | 4,813 | 6,815 |

^a Percentages have been rounded off and may not add to 100 per cent.

^b The development banks are not included in the final expenditures shown, as the banks' loan agreements are often disbursed over several years.

^c 2000 data differ from the figures in the 2000 report, due to additional information received.

^d Distribution for Germany has been partially estimated based on 2001 percentages. Distribution for Luxembourg has been estimated based on 2001 data. Distribution for Italy has been estimated based on 2000 data.

^e Distribution for the European Union has been estimated by NIDI based on data from the European Commission and the DAC Watch of the European Union, IPPF, January 2002.

^f 2002 data differ from the figures in the 2002 report, due to additional data received.

^g Since no data have been provided on expenditures, distribution for Finland and the United States has been estimated at the 2003 level.

^h - Greece: Information on general contributions to intermediate organizations was not reported. As a result, 2005 figures on general contributions are estimated at the 2003 level.

- Italy: Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2004 data.

- Finland: Information on project/programme expenditures was not reported. As a result, project/programme figures are estimated based on 2003 data.

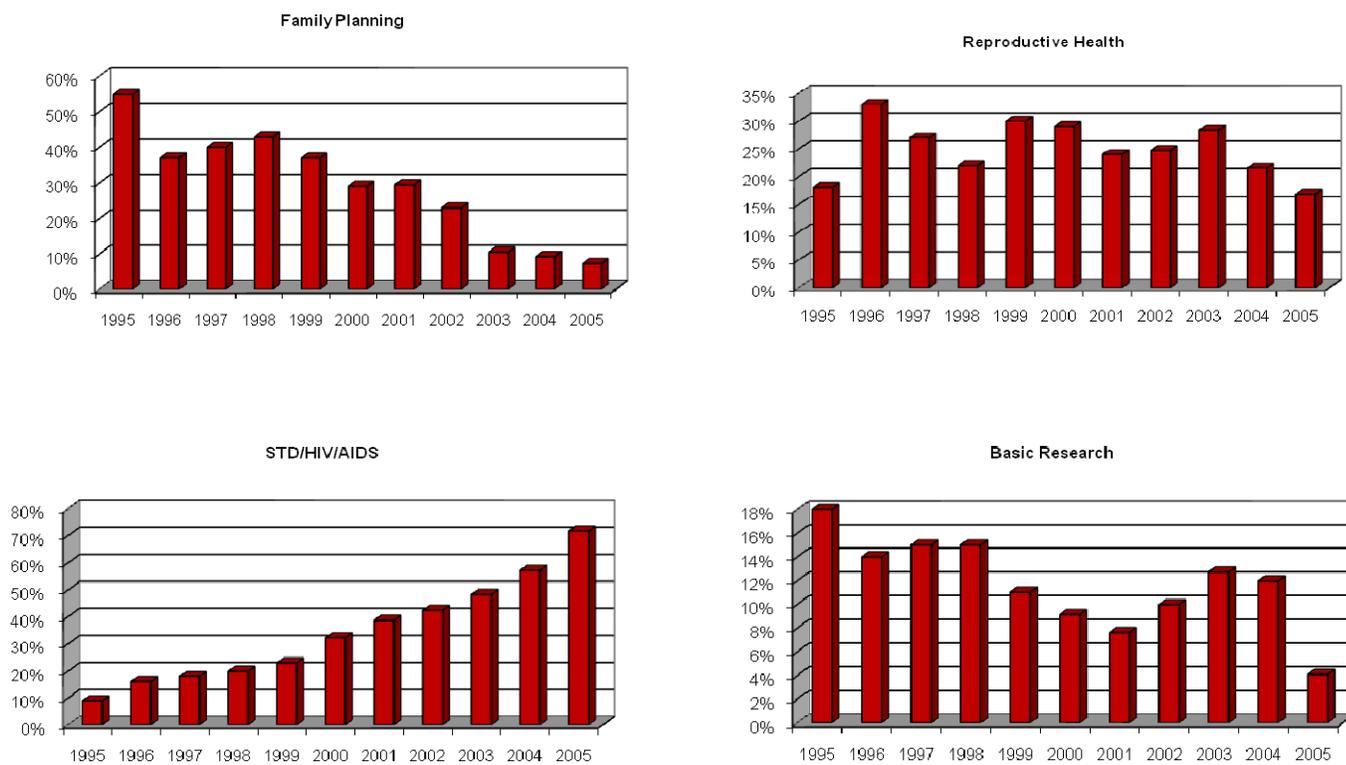
- United States: The relative high increase for 2005 is caused by the incorporation of expenditures of the US PEPFAR programme.

ⁱ Basic reproductive health care services for Sweden and the Netherlands included family planning services.

^j Basic reproductive health care services for Sweden included family planning services.

^k Basic reproductive health care services for Sweden and the United Kingdom included family planning services.

Figure 16. Expenditures for Population Activities as a Percentage of Total Population Assistance, 1995-2005



SPECIAL THEME BOX 5. ESTIMATES OF DONOR ASSISTANCE: 2006 AND 2007

To address the increasing demands for timely data on population expenditures, the UNFPA/UNAIDS/NIDI Resource Flows Project produces current estimates to complement existing trend analysis. Real-time estimates have been developed for 2006 and 2007 based on future expected expenditures as reported in the Resource Flows survey and estimation driven projections.

Results of the estimation exercise show that population assistance, not counting development bank loans, was \$7.7 billion in 2006 and \$9.5 billion in 2007. If development bank loans are included -estimated at the 2005 level, the latest year for which data are currently available - then the estimated total international population assistance would be \$8.1 billion in 2006 and \$9.8 billion in 2007.

The trend towards increasing assistance to HIV/AIDS activities continues in 2006 and 2007, with donors indicating a large increase in the share of assistance in that area.

In addition to supplying the information needed by UNFPA and UNAIDS for tracking and reporting purposes, the data for 2006 and 2007 are used to advocate for the mobilization of required resources from the donor community and renewal of national commitments to ICPD goals in order to finance population programmes in developing countries as well as to plan for an effective response to the AIDS pandemic.

NOTE: See Marieke van der Pers and Erik Beekink, "Projections of Funds for Population and AIDS Activities, 2006-2008", The Hague, 2007.

5 Domestic Financial Resources for Population Activities

Global Estimate of Domestic Resource Flows

The ICPD pointed out that domestic resources of developing countries provide the largest portion of funds for attaining population and development objectives. The mobilization of adequate domestic financial resources is essential to facilitate full implementation of the Cairo agenda. UNFPA has been monitoring domestic expenditures for population activities since 1997 through the use of a survey questionnaire sent to UNFPA Country Offices throughout the world for further distribution to Government ministries and large national NGOs. In many countries, local consultants were recruited to work with government authorities and non-governmental organizations in completing the questionnaires. UNAIDS Country Offices assisted in the selection of government departments and NGOs that provided data on HIV/AIDS expenditures. Respondents were requested to focus on the ICPD costed population package and to report only domestic financial resources, not to include international donor assistance.

Surveys of domestic expenditures were initially conducted on an annual basis but, since 1999, to reduce the burden on financial and human resources, countries were surveyed on a two-yearly basis. Country case studies were conducted as part of the Resource flows Project to supplement the mail inquiry. Despite intensive follow-up, it was becoming increasingly difficult to track progress of developing countries towards achieving the ICPD financial targets. Each year, fewer countries provided information on domestic expenditures for population activities. Many Governments, including several of the most populous countries, were unable to supply the requested data because of funding, staffing and time constraints. In addition, countries that did not have well-developed systems for monitoring resource flows were unable to provide the requested information, especially when funding was pooled in integrated social and health projects and sector-wide approaches. Furthermore, countries with decentralized accounting systems could only supply data on national expenditures and were unable to provide information on expenditures for population at sub-national (lower administrative) levels.

To address these challenges and to further reduce the burden of reporting, for fiscal year 2003, the project began to focus on a core group of countries selected on the basis of population size, amount of population and AIDS expenditures, HIV/AIDS prevalence and regional representation and a rotating sample of remaining countries in alternate years. The survey of core countries yielded considerable responses, but the majority of non-core countries surveyed for fiscal year 2004 were not able to provide information. The survey of core countries for fiscal year 2005 had a much more favourable response rate.

Total global domestic expenditures for population activities for fiscal year 2005 were estimated using a methodology that incorporated the responses received from the survey, together with prior reporting on actual and intended expenditures, secondary sources on national spending and, in the absence of such information, estimates were based on national income as measured by the level of gross domestic product which proved the most influential variable explaining the growth of spending by Governments.⁵ This estimate, which should be treated with caution, yielded a crude global figure of \$17 billion (Table 6).

Although the global figure of domestic resource flows is a rough estimate based on data that are sometimes incomplete and not entirely comparable, the information is useful in that it provides some idea of the progress made by developing countries, as a group, in achieving the financial resource targets of the ICPD Programme of Action. While the global total shows real commitment on the part of developing countries and countries with economies in transition, most domestic resource flows originate in a few large countries. Many countries, especially those in sub-Saharan Africa and the least developed countries, are simply unable to generate the necessary resources to finance their own national population programmes. Most developing countries are dependent on the international donor community to finance population activities.

⁵ See Hendrik van Dalen and Mieke Reuser, *Assessing Size and Structure of Worldwide Funds for Population and AIDS Activities*, The Hague, 2004, Hendrik van Dalen and Mieke Reuser, *Projections of Funds for Population and AIDS Activities, 2004-2006*. The Hague, 2005, and Hendrik P. van Dalen and Daniel Reijer, *Projections of Funds for Population and AIDS Activities, 2005-2007*, The Hague, 2006. Available on the Resource Flows web site (www.resourceflows.org).

Table 6. Estimate of Global Domestic Expenditures for Population Activities, 2005
(thousands of \$US)

| Region | Source of Funds | | | Total | Percentage spent on STD/HIV/AIDS |
|---------------------------------|-----------------|---------|-------------|------------|----------------------------------|
| | Government | NGO | Consumers * | | |
| Africa (sub-Saharan) | 1,105,126 | 84,922 | 1,331,722 | 2,521,770 | 91% |
| Asia and the Pacific | 4,105,481 | 90,634 | 7,173,312 | 11,369,427 | 15% |
| Latin America and the Caribbean | 1,049,767 | 59,828 | 545,619 | 1,655,214 | 80% |
| Western Asia and North Africa | 507,794 | 44,017 | 311,560 | 863,371 | 19% |
| Eastern and Southern Europe | 629,455 | 11,580 | 227,971 | 869,006 | 78% |
| Total | 7,397,623 | 290,981 | 9,590,184 | 17,278,788 | 36% |

* Consumer spending on population activities covers only out-of-pocket expenditures and is based on the average amount per region measured by the WHO (2004) for health care spending in general. For each region, the ratio of private out-of-pocket versus per capita government expenditures was used to derive consumer expenditures in the case of population activities.

Source: Hendrik P. van Dalen and Daniel Reijer, *Projections of Funds for Population and AIDS Activities, 2005-2007*, The Hague, 2006.

SPECIAL THEME BOX 6. COMPONENTS OF DOMESTIC FUNDING FOR POPULATION ACTIVITIES

Governments play a major role in financing population programmes. They are considered to be responsible for most domestic expenditures for population activities. However, since the level of government funding usually depends on the level of national income, governments in less developed countries are least likely to afford large outlays for population activities. Poor countries that are faced with many competing development priorities are not able to afford the necessary investments in population. As a result, population issues are often excluded from social and health sector programmes because there are not enough funds to go around or because new priorities are surfacing without safeguards to ensure sustainability and expansion of existing programmes.

National NGOs also contribute to the funding of population activities, but the majority of them are highly dependent on international resources. Their main role lies in advocacy work and in reaching people at the grass-roots level.

National governments and NGOs are not the only sources of domestic expenditures for population activities. In fact, it is the consumers who actually spend the most. Private consumer expenditures account for a large percentage of total funding for health care. Although exact amounts of worldwide health-care spending for population activities are not known, if one uses out-of-pocket health expenditures of households from the national health account figures as collected by the World Health Organization and if one assumes that out-of-pocket health expenditures are in line with out-of-pocket expenditures for family planning, reproductive health and HIV/AIDS goods and services, then consumer spending represents the largest part of resources spent on population activities. Of course, there are great variations between regions and countries and, in some cases, changes over time in the share of consumer spending within countries themselves.

6 Conclusion

Financial Resource Flows for Population Activities in 2005 provides information on the flow of international and domestic funding for population programmes in developing countries. The report represents a major effort to capture funding for activities that are part of the costed population package identified in the ICPD Programme of Action: family planning services; basic reproductive health services; STD/HIV/AIDS activities; and basic research, data and population and development policy analysis. It records bilateral, multilateral and NGO assistance to developing countries, including development bank loans, and provides information on resources mobilized by developing countries themselves.

The data presented in this report are based on responses obtained from the Governments and institutions surveyed and estimates of expected expenditures. While information on international population assistance is reliable, that for developing countries is incomplete due to the difficulties that many countries encounter in providing the requested data. Data on domestic resource flows, especially the global total, should be treated as approximations. They are meant to provide some idea of the progress that developing countries, as a group, are making towards achieving the ICPD financial targets.

Both donor and developing countries have indicated that they are finding it increasingly difficult to provide the information requested on resource flows for population activities disaggregated by the four categories costed out in the ICPD Programme of Action because their expenditures on those activities are often part of integrated health and social sector projects and SWAps and do not appear as separate budget items in their accounting systems. Other factors that make it difficult to respond to the resource flows survey include respondent fatigue and financial, staff and time constraints. More external and domestic resources are provided for population activities than are reported here because respondents cannot supply the information requested.

Progress in Resource Mobilization

The ICPD goal of mobilizing \$17 billion for population activities by the year 2000 was not met. The international community did not mobilize the required \$5.7 billion in 2000 for population assistance in developing countries and developing countries did not generate the required \$11.3 billion in domestic funding for their population programmes.

Since then, however, international population assistance has been increasing. Indeed, at \$7.4 billion, it has finally reached and, indeed, surpassed, the Cairo target for 2005. However, it is important to point out that even with the increase in the flow of financial resources, the funding is still not sufficient to meet current needs, which have grown dramatically since the targets were agreed upon in 1994.

ODA has increased to its highest level ever and donor assistance to population represented 5.73 per cent of ODA as compared to 5.39 per cent in 2004. While a number of developing countries have shown commitment to implementing the ICPD financial targets by allocating resources for population activities, the majority of countries have limited financial resources to utilize for population and reproductive health programmes and cannot generate the required funds to implement these programmes. The global estimate of domestic resource flows conceals the great variation that exists among countries in their ability to mobilize resources for population activities. Most domestic resource flows originate in a few large countries. Most developing countries cannot be expected to generate the required funds to implement their population programmes. In the least developed countries and other low-income countries, a relatively larger part of the total required resources will have to come from external sources.

The lack of adequate funding remains one of the chief constraints to the full implementation of the ICPD Programme of Action.

Resource Flows for Other Population-Related Activities

The ICPD Programme of Action outlines a comprehensive population and development agenda. It points out that, in addition to the costed population package, additional resources would be needed to support programmes that address broader population and development objectives including, *inter alia*, those designed to strengthen the primary health-care delivery system, improve child survival, provide emergency obstetrical care, provide universal basic education, improve the status and empowerment of women, generate employment, address environmental concerns, provide social services, achieve balanced population distribution and address poverty eradication (paras. 13.17-13.19). No attempt was made to cost out the resources required to achieve these wider social goals.

In monitoring the flow of financial resources for assisting in the implementation of the ICPD Programme of Action, UNFPA has adhered to the classification of population activities of the costed population package described in paragraph 13.14 of the Programme of Action. Funding for other population-related activities, such as basic health, education, poverty eradication and women's issues, is not included in the calculations of international population assistance and domestic resources for population activities.

Both donor and developing countries have indicated that a significant amount of resource flows goes to other population-related activities that address the broader population and development objectives of the Cairo agenda, but that have not been costed out and are not part of the agreed target of \$17 billion. These include such activities as poverty alleviation, primary health-care delivery systems, child health and survival, basic education, including girls' and women's education, empowerment of women, rural development, and income generation. Clearly, countries are spending much more than is included in this report.

Population and the Millennium Development Goals

Population is central to development and the achievement of the MDGs. The ICPD goals, especially the reproductive health goal, are essential for meeting the MDGs directly related to health, social and economic outcomes, especially the child, maternal, HIV/AIDS, gender and poverty goals. Population issues must be an integral part of development planning and poverty reduction strategies if the international community is to make any progress towards the achievement of the MDGs, especially the eradication of poverty. International consensus recognizes the importance of demographic trends - including fertility, mortality, population growth, age structure and migration - as critical factors affecting all aspects of development. Promoting the goals of the international United Nations Conferences of the 1990s, including the ICPD, as well as the Millennium Development Goals relating to health, education and gender, is vital for laying the foundation to reduce poverty in many of the poorest countries. The adverse consequences of reproductive-related morbidity and mortality, including maternal deaths, and the human and environmental impacts of continued rapid population growth continue to undermine individual and family well-being and slow development in many countries. Morbidity and mortality resulting from inadequate access to reproductive health services, family planning, care in pregnancy and childbirth and the prevention of sexually transmitted diseases and HIV/AIDS affect men and women in their most productive years and exact a huge social and economic toll on society.

SPECIAL THEME BOX 7. CHALLENGES OF MONITORING RESOURCE FLOWS

- **Collecting data on expenditures at lower administrative levels** – the trend towards decentralization means that it is becoming increasingly difficult to obtain data on resource flows for population activities by contacting government authorities at the national level only. In addition to national budgets and accounting systems for population and health, many countries have separate budgets and monitoring systems at regional and local levels. In such countries, information on resource flows obtained at the national level may represent only part of the total expenditure for population in the country.
- **Collecting data on private sector and out-of-pocket expenditures** – the private sector can play an important role in financing population activities in many countries. Consumers bear the lion's share when it comes to population expenditures. This is not captured in survey questionnaires sent to government ministries and national NGOs. Some countries have data on out-of-pocket expenditures for family planning, but few have information on private expenditures for reproductive health and STD/HIV/AIDS services and commodities. There is little information on expenditures by employers and private health insurance companies.
- **Estimating the population component in integrated projects and sector-wide approaches (SWAPs)** – the growing trend towards integration of services, consistent with the ICPD call for integration of reproductive health with basic health services, and the increasing use of SWAPs in development assistance pose a real challenge for monitoring the level of funding going to the ICPD costed population package. Some respondents are not able to provide expenditures for population activities because such activities are part of broader health projects and the resources are pooled.
- **Institutionalizing the data collection process** – to ensure sustainability at country level, the data collection process should be institutionalized in-country. Capacity building and advocacy efforts are essential to encourage Governments and national NGOs to collect expenditure information for policy formulation and planning purposes. Ideally, one organization should be identified to monitor resource flows and its capacity strengthened to carry out this activity. Civil society and especially women's NGOs can play an important role in monitoring population expenditures and trying to ensure that Governments mobilize adequate resources for population programmes and achieve equity objectives.

New Modalities for Resource Mobilization

Additional resources are needed to fund population and development programmes in developing countries. There are many modalities by which to mobilize resources: advocacy for increased funding from international financial institutions and regional development banks; increased involvement of the private sector; selective use of user fees; and social marketing, cost-sharing and other forms of cost recovery. The SWAp is another important mechanism for generating funds for population programmes in developing countries. By changing the way of conducting the aid business and reducing aid fragmentation, the SWAp modality is an attempt to overcome the shortcomings of the project approach to improve the impact and sustainability of development cooperation. It is essential to ensure that population concerns are adequately addressed in SWAPs and that sufficient resources are allocated to fund population programmes that are part of sector-wide approaches. Continued implementation of the 20/20 Initiative to provide increased resources for broader poverty eradication objectives, including population and social-sector objectives, is also necessary.

Future Resource Requirements

The ICPD called upon the international community to achieve an adequate level of resource mobilization and allocation, at the community, national and international levels, for population programmes and for other related programmes, all of which seek to promote and accelerate social and economic development, improve the quality of life for all, foster equity and full respect for individual rights and, by so doing, contribute to sustainable development (ICPD Programme of Action, para. 13.21).

The Programme of Action specified the financial resources, both domestic and donor funds, necessary to implement the population and reproductive health package over the next twenty years. It estimated that in developing countries and countries with economies in transition, the implementation of programmes in the area of reproductive health, including those related to family planning, maternal health and the prevention of STDs, as well as programmes that address the collection and analysis of population data, will cost \$17 billion by the year 2000 and \$18.5 billion by the year 2005. Approximately two thirds of the projected costs in developing countries

were expected to come from domestic sources and one third, or \$5.7 billion in 2000 and \$6.1 billion in 2005, from the international donor community.

Continued resource mobilization advocacy efforts on the part of both donors and developing countries are essential to meet current needs and fully implement the ICPD agenda. It is important that funding for all four ICPD population categories increase. Of particular concern is the decreasing proportion of funding for family planning services which, if not reversed, may have serious implications for countries' ability to address unmet need for such services and could undermine efforts to prevent unintended pregnancies and reduce maternal and infant mortality.

Donor and developing countries should re-examine priorities and increase allocations for population and related sectors. Given limited financial resources, it is essential that donor countries, international agencies and recipient countries continue to strengthen their efforts and their collaboration to avoid duplication, identify funding gaps and ensure that resources are used as effectively and efficiently as possible. Coordinating donor financing policies and planning procedures will help to enhance the impact and cost-effectiveness of contributions to population programmes.

More emphasis on results-based programming and management on the part of development and multilateral agencies will help to increase donor confidence which may, in turn, increase development assistance and provide agencies with the funds necessary for them to carry out their work. Assessing impact of resources, examining cost-effectiveness and addressing equity considerations will also help to alleviate the concerns of an increasing number of donors.

The challenge is to mobilize sufficient resources to meet growing needs. The HIV/AIDS crisis is far worse than anticipated and infant, child and maternal mortality remains unacceptably high in many parts of the world. These issues cannot be ignored. Increased political will and a re-doubling of efforts to generate additional international assistance and increased domestic funding from all sources are urgently needed to accelerate the implementation of the ICPD Programme of Action.

| SPECIAL THEME BOX 8. FINANCIAL RESOURCES REQUIRED TO ADDRESS DEMOGRAPHIC CHALLENGES, 2000-2015 (billions of \$US) | | | |
|--|---------------------------|----------------------------|------------------------|
| <i>Year</i> | <i>Domestic Resources</i> | <i>External Assistance</i> | <i>Total Resources</i> |
| 2000 | \$ 11.3 | \$ 5.7 | \$ 17.0 |
| 2005 | \$ 12.4 | \$ 6.1 | \$18.5 |
| 2010 | \$ 13.7 | \$ 6.8 | \$ 20.5 |
| 2015 | \$ 14.5 | \$ 7.2 | \$ 21.7 |

Source: Programme of Action of the International Conference on Population and Development, paras. 13.15 and 14.11.

ANNEX TABLES



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