

MEETING THE INVESTMENT CHALLENGE TIPPING THE DEPENDENCY BALANCE

- Domestic investments exceed international investments—total reaching US\$ 8.6 billion.
- 40 countries fund more than 70% of their National AIDS response from domestic sources.
- 81 countries increased domestic spending by more than 50% between 2006 and 2011.
- BRICS countries take responsibility for their AIDS epidemics—fund more than 75% from domestic sources.
- International funding remains flat since 2008.
- A gap of US\$ 7 billion still remains to be filled to reach the global target of US\$ 24 billion by 2015.

**SHARED
RESPONSIBILITY
MUTUAL
ACCOUNTABILITY
GLOBAL
SOLIDARITY**

SHARED INVESTMENTS. SHARED RESULTS.

Domestic investments have surpassed global giving in 2011. Low- and middle-income countries invested US\$ 8.6 billion in 2011. While countries are tipping the balance, international assistance still remains critical and indispensable in the short and medium term. International assistance from donor government and philanthropies has remained stable at around US\$ 8.2 billion in the past few years.

The increase in domestic investments for AIDS comes at a time when many low- and middle income countries are seeing growth in the national economies. The BRICS countries (Brazil, Russian Federation, India, China and South Africa) have increased domestic public spending by more than 122% between 2006 and 2011. Together BRICS contribute to more than half of all domestic spending on AIDS in low- and middle income countries. While Brazil and Russian Federation provide almost all the funding for their national AIDS response from domestic sources, China currently invests more than 80% domestically. China has further promised to fully fund the AIDS response from domestic sources in coming years. India too has committed to increase domestic funding to more than 90% in its next phase of the AIDS response. South Africa already spends more than 80% from domestic sources and has quadrupled its domestic investments between 2006 and 2011. South Africa invested more than US\$ 1.9 billion last year from public sources, and is the country with the highest domestic investment among low- and middle-income countries.

Low-income countries too have increased their domestic investments. In most low-income countries domestic investments have increased by at least 70% between 2006 and 2011. In lower-middle-income countries domestic investments increased by nearly 100% in the same period. On the other hand the growth in domestic investment in upper-middle-income countries excluding the BRICS countries was the lowest at around 60%. These countries typically already have a high share of domestic investments.

As African economies grow public investments for AIDS in the continent have also grown. Domestic public spending in sub-Saharan Africa, aside from South Africa, increased by 97% over the last five years. However, international sources still account for nearly two-thirds of all investments in sub-Saharan Africa. Very few African countries have met the Abuja target of allocating 15% of the national budget to health for AIDS. If all countries in the continent did so and also allocated according to disease burden, domestic investment could increase by US\$ 1.5 billion up to US\$ 4.7 billion by 2015. This is far short of the total investment needs in Africa—thus requiring sustained and predictable international assistance.

On the whole global investments in AIDS have increased. In 2011, a total of US\$ 16.8 billion was invested—an increase of 11% from 2010. HIV funding from the international community has largely been stable between 2008 and 2011 reaching US\$ 8.2 billion. Funding from the United States of America accounts for nearly 48% of all international assistance on AIDS.

DOMESTIC SPENDING FOR AIDS INCREASED NATIONAL OWNERSHIP, REDUCED DEPENDENCY

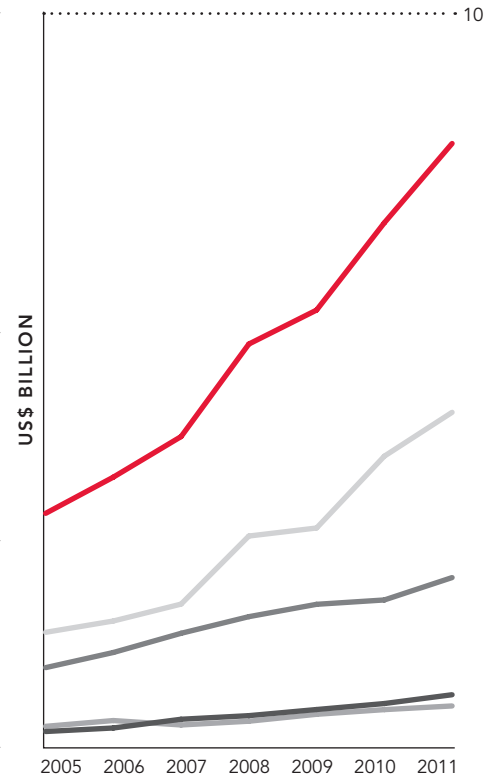
% increase in domestic investments for national AIDS response between 2006 and 2011 in low- and middle-income countries.

	20-50%	50-100%	>100%
SUB-SAHARAN AFRICA	Burkina Faso Cameroon Central African Republic Senegal	Benin Botswana Djibouti Ethiopia Liberia	Seychelles Swaziland United Republic of Tanzania Zambia Comoros Mauritania Mauritius Namibia Nigeria Rwanda Sierra Leone South Africa Togo Uganda
MIDDLE EAST AND NORTH AFRICA	Lebanon Tunisia Turkey	Egypt Iran Sudan Yemen	Algeria Iraq Jordan Libya Morocco
ASIA	Bangladesh India Philippines	Afghanistan Bhutan Malaysia Nepal Thailand	China Indonesia Korea, Dem. Rep. Laos Mongolia Myanmar Pakistan Timor-Leste VietNam
OCEANIA	Samoa Tonga	Papua New Guinea Solomon Islands	
LATIN AMERICA	Colombia El Salvador Peru Venezuela	Argentina Brazil Guatemala	Bolivia Chile Costa Rica Ecuador Honduras Mexico Nicaragua Paraguay Uruguay
CARIBBEAN	Belize Guyana Jamaica Suriname	Cuba	Haiti St. Vincent and the Grenadines
EASTERN EUROPE AND CENTRAL ASIA	Bosnia and Herzegovina Lithuania Romania Turkmenistan Ukraine	Albania	Armenia Azerbaijan Bulgaria Georgia Kazakhstan Kyrgyzstan Moldova Russian Federation Tajikistan Uzbekistan
WESTERN AND CENTRAL EUROPE		Macedonia FYR Serbia	Montenegro

>70% OF NATIONAL AIDS INVESTMENTS ARE DOMESTIC

DOMESTIC PUBLIC SPENDING

SUB-SAHARAN AFRICA	Botswana Comoros Mauritania Mauritius Seychelles South Africa	
MIDDLE EAST AND NORTH AFRICA	Algeria Iraq Iran Turkey	
ASIA	China Malaysia Pakistan Thailand	
OCEANIA	Samoa Tonga	
LATIN AMERICA	Argentina Brazil Chile Costa Rica Ecuador El Salvador	Panama Paraguay Peru Uruguay Venezuela
CARIBBEAN	Cuba Dominica Grenada St. Kitts and Nevis St. Lucia	
EASTERN EUROPE AND CENTRAL ASIA	Albania Kazakhstan Romania Russian Federation Turkmenistan	
WESTERN AND CENTRAL EUROPE	Serbia	



- Total domestic investments by low- and middle-income countries
- Brazil, Russian Federation, India, China and South Africa
- Other upper-middle-income countries
- Other lower-middle-income countries
- Low-income countries

INVESTING FOR RESULTS- RESULTS FOR PEOPLE

AIDS-related investments must be smart and produce results for people. Results that matter—lives saved, keeping people from acquiring HIV infection, keeping people alive, keeping people and families healthy and productive, and keeping children in school.

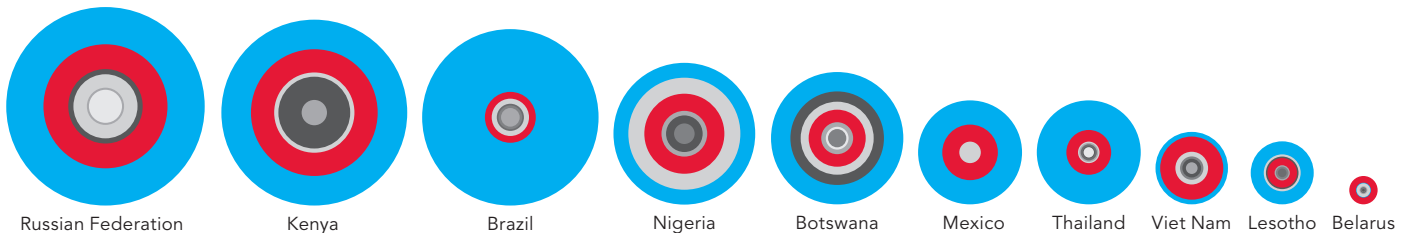
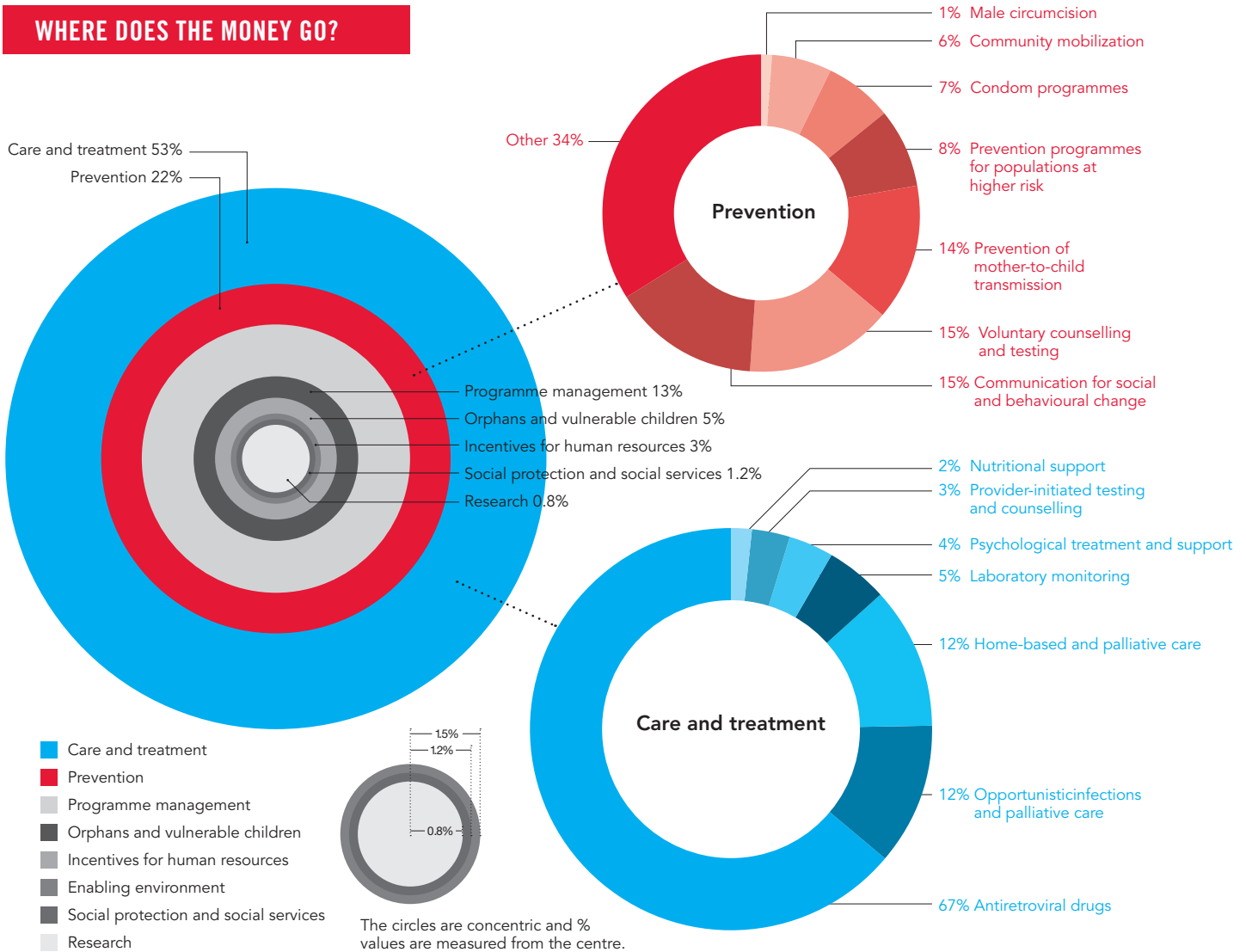
Investments in the AIDS response must be based on three tenets: equity, evidence and efficiency. They are supported by four fundamental principles: country ownership; community engagement; shared responsibility and global solidarity; and grounded in the local epidemiological context.

The chart below shows how the world currently spends on AIDS. The chart on page 5 on the other hand provides a new framework for

investments in AIDS that recommends implementing a set of programme activities together with critical enablers and synergies to optimize value for money and deliver results for people.

Fully funding the AIDS response and investing it effectively and efficiently can prevent an estimated additional 4.2 million adults from acquiring HIV infection, prevent 680 000 children from becoming newly infected with HIV and prevent 1.9 million people from dying from AIDS by the end of 2015. Nearly 15 million people will be accessing HIV treatment, and new infections among children will be virtually eliminated. In addition, an estimated 3.9 million life-years will be gained—improving the quality of life for all people.

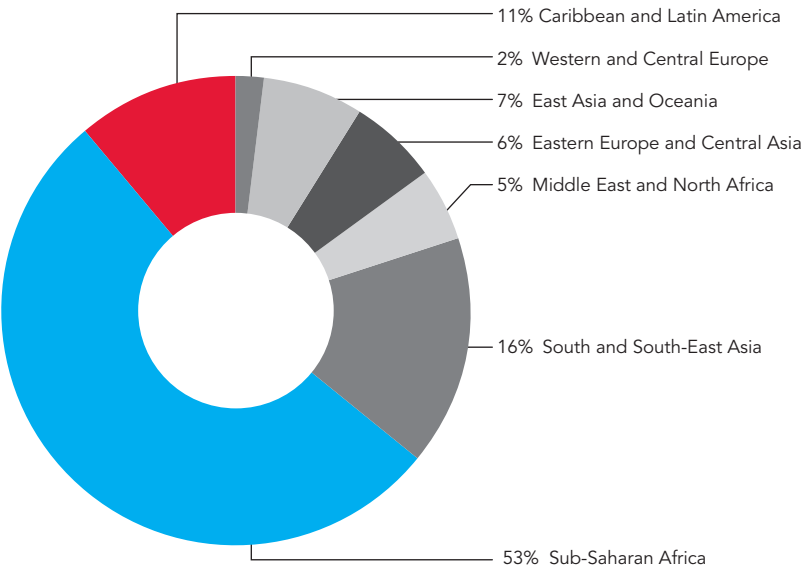
WHERE DOES THE MONEY GO?



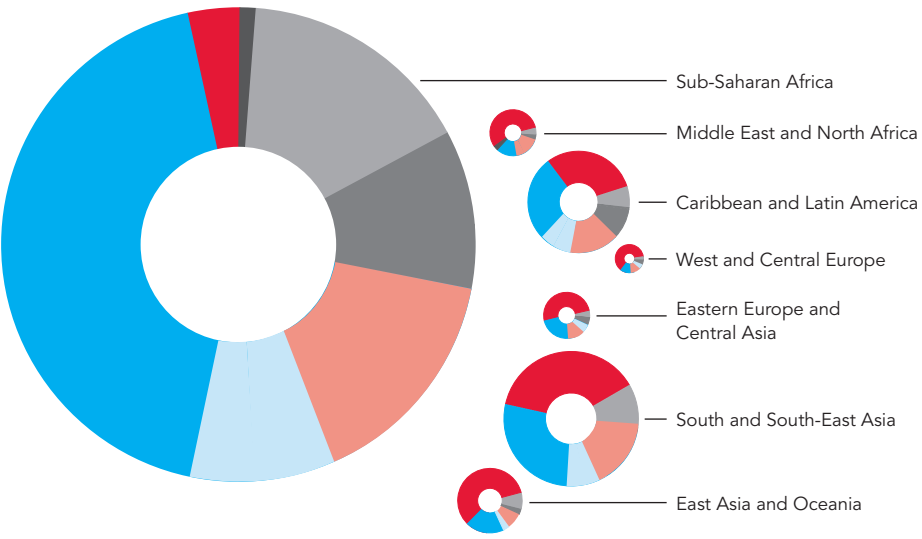
WHERE SHOULD THE MONEY GO?

ESTIMATED RESOURCE NEEDS IN LOW- AND MIDDLE-INCOME COUNTRIES 2015

Total: US\$ 24 billion



ESTIMATED RESOURCE NEEDS IN LOW- AND MIDDLE-INCOME COUNTRIES FOR PROGRAMME ACTIVITIES, SYNERGIES AND CRITICAL ENABLERS BY REGION 2015



- Treatment, care, and support
- Elimination of new HIV infections among children
- Behaviour change programmes
- Voluntary medical male circumcision
- Populations at higher risk
- Synergies
- Critical enablers

AFRICAN ROAD MAP TO END AIDS DEPENDENCY

The African Union endorsed a new roadmap to accelerate progress in HIV, tuberculosis and Malaria—through shared responsibility and global solidarity—at the 19th Summit of the African Union in Addis Ababa on 16th July, 2011. Given the extraordinary history of AIDS responses – in terms of galvanizing political support, mobilizing resources, addressing trade related aspects of intellectual property rights and bringing about tiered prices for treatment, among other achievements – the roadmap treats AIDS as a pathfinder for tuberculosis, malaria and other diseases affecting the Continent for which African-sourced solutions are required.

THE ROAD MAP THREE STRATEGIC PILLARS

1.

MORE DIVERSIFIED, BALANCED AND SUSTAINABLE FINANCING MODELS

- Develop financial sustainability plans with clear targets
- Ensure development partners meet commitments and align with Africa's priorities
- Maximise opportunities to diversify funding sources and increase domestic resource allocation

2.

ACCESS TO MEDICINES— LOCAL PRODUCTION AND REGULATORY HARMONISATION

- Invest in leading medicines manufacturers – focusing on AIDS, TB and malaria
- Lay foundations for a single African regulatory agency
- Acquire essential skills through technology transfers and south-south cooperation
- Incorporate TRIPS flexibilities and avoid “TRIPS-plus” measures in trade agreements

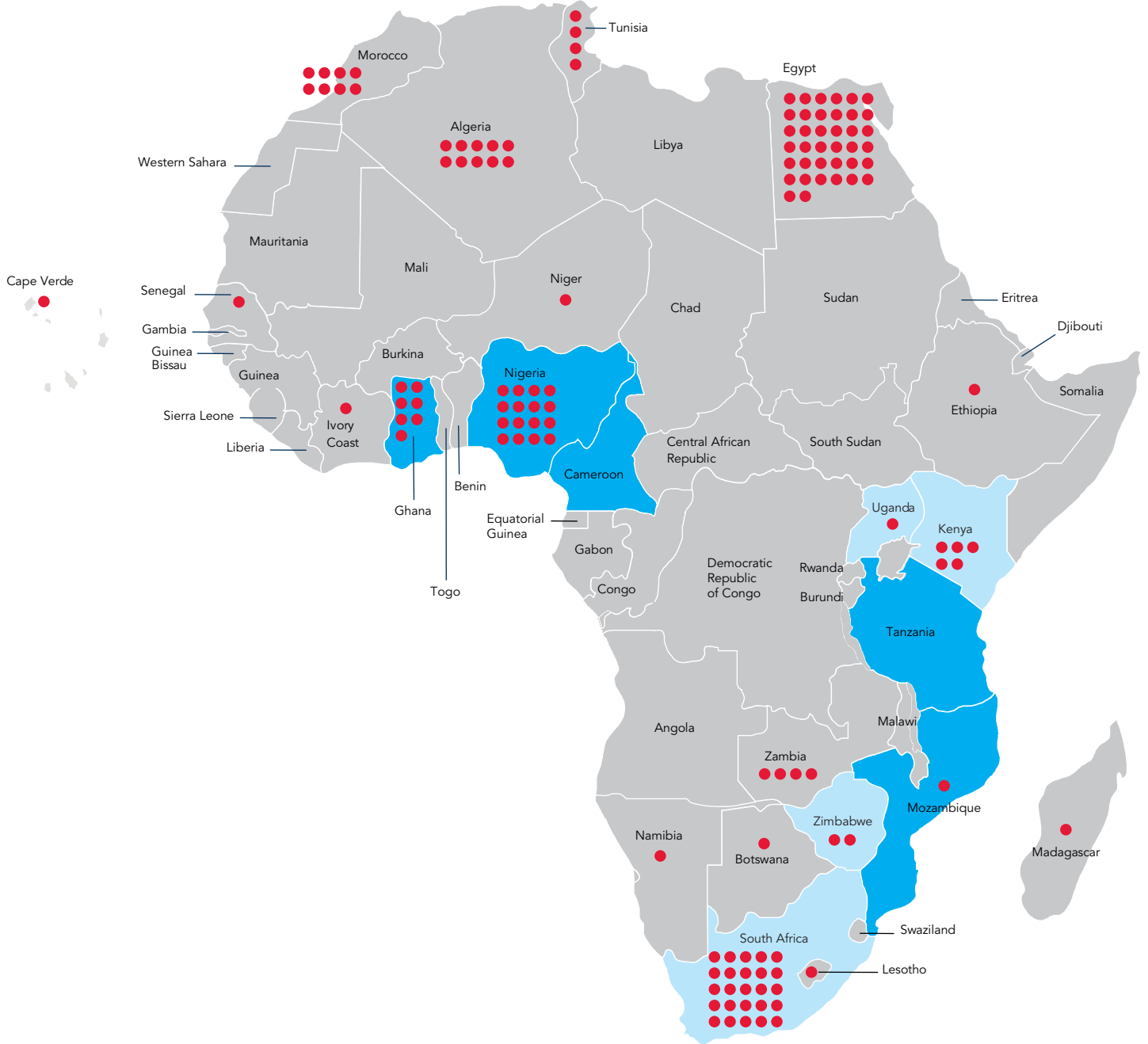
3.

LEADERSHIP, GOVERNANCE AND OVERSIGHT FOR SUSTAINABILITY

- Use strategic investment approaches for scale-up of basic programmes
- Support communities to claim their rights and participate in governance of the responses
- Ensure investments contribute to health system strengthening
- Mobilise leadership at all levels to implement the roadmap

LOCAL PRODUCTION OF ANTIRETROVIRAL DRUGS IN AFRICA

- Countries already producing WHO pre-qualified antiretroviral drugs
- Other countries producing/planning to produce antiretroviral drugs
- Pharmaceutical manufacturer



CLOSING THE INVESTMENT GAP

Even though many countries have increased their domestic investments, they will still require international investments. Increase in domestic investments cannot become an excuse for international partners to reduce or simply maintain the current level of investments.

Countries have collectively agreed to invest between US\$ 22- 24 billion in low- and middle-income countries for the AIDS response annually by 2015. At current levels of investments, the total gap now exceeds US\$ 7 billion and needs to be filled to reach the 2015 global AIDS targets agreed in the United Nations 2011 Political Declaration on AIDS. This gap can only be closed if investments are increased from all sources—public and private.

The potential of BRICS countries and other middle-income countries to funding the global HIV response is also growing with their economic strength. As BRICS countries increasingly fund their own AIDS response, they free up international resources for other poorer countries and also become major actors in development. For example, a contribution of only 0.1% of gross domestic product from BRICS countries could add as much as US\$ 10 billion to global international assistance.

There is also pressing need for greater innovation in sourcing sustainable funding for health and development. A financial transaction tax or a currency transaction levy has to potential to raise as much as US\$ 400 billion annually. Closing the estimated US\$ 7 billion gap for HIV in 2015 would require only 2% of this amount.

Many countries are finding other innovative ways to raise resources. Zimbabwe's AIDS levy has generated more than US\$ 26 million in 2011. Similar steps are being considered in Kenya and Zambia. Several countries impose a levy on the use of mobile phones to fund health programmes. These include Rwanda and Uganda. Several countries including Botswana, Burkina Faso, Cameroon, Gabon and Malawi are investigating an airtime levy specifically for AIDS financing.

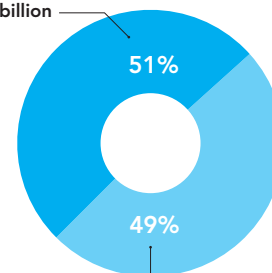
SECURING THE FUTURE WITH PREDICTABLE AND SUSTAINABLE FINANCING

Sustaining the AIDS response requires strong country ownership and global solidarity. To secure the future, investments must be predictable and sustainable. A strong country-led response can ensure that the investments made in health and developments are synergized, key services are integrated and duplication avoided.

Every dollar spent on AIDS is an investment not expenditure. Investment delivers returns. Returns multiply over time. A people-centred investment approach will save lives, reduce costs and make the most out of the resources invested. To achieve the 2015 global AIDS targets and go beyond to reach zero new HIV infections, zero discrimination and zero AIDS-related deaths—countries must be able to mobilize and use resources effectively and efficiently.

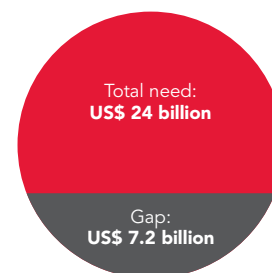
GLOBAL INVESTMENTS FOR AIDS- 2011

Low- and middle income countries:
US\$ 8.6 billion



International assistance:
US\$ 8.2 billion

RESOURCE NEEDS FOR LOW- AND MIDDLE-INCOME COUNTRIES 2015



UNAIDS
Joint United Nations
Programme on HIV/AIDS

UNHCR
UNICEF
WFP
UNDP
UNFPA
UNODC
UN WOMEN
ILO
UNESCO
WHO
WORLD BANK

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