

CHAPTER 9: PUBLIC FINANCIAL MANAGEMENT AND THE FINANCING OF THE HIV/AIDS EPIDEMIC

9.1 Introduction

There are many international plans and institutions that set targets and give guidelines on how to manage AIDS programmes at country level. There is enough literature to show that the planning, financing and implementation of AIDS programmes in developing countries are disjointed and fragmented. The increased international political commitment during the past seven years to fight AIDS worldwide has magnified the task at hand. The scaling up of the volumes of funding for HIV/AIDS has presented many challenges, among others to translate these new commitments into spending at grassroots level and sustaining and supporting financial systems.

This chapter considers the funding disparities between AIDS and other relief efforts. The global call for funding the AIDS epidemic is discussed with reference to the international declarations and commitments. The sources and modalities of funding are discussed with reference to the multiplicity of agencies and modalities. The funding gap and the challenges of scaling up financing for the AIDS epidemic are explored.

9.2 The components of public financial management (PFM)

The management of public expenditure has four objectives (Olander, 2007:11):

- the control of aggregate expenditure of public resources in line with available resources;
- the effective allocation of resources to different areas of concern in pursuit of objectives;
- the efficient operational use of resources, such as service delivery, to ensure maximum value for money; and
- fiscal transparency through social control.

These objectives are mutually interdependent and interact with each other. All these objectives are realised through the budget process. The budget, the centrepiece in any country's public activity, is both a political and technical document (Shand, 2006:1). It is through the budget that policies are implemented, leading to service provision, among other things. Therefore, the budget process, through a sound public financial management system, is one of the most important democratic institutions (Olander, 2007:10). There is a need for budget ownership where both political and administrative role-players take greater responsibility for their own finances.

The World Bank's Public Expenditure and Financial Accountability agency highlighted the following key components for effective public financial management (Public Expenditure and Financial Accountability (PEFA), 2005:2):

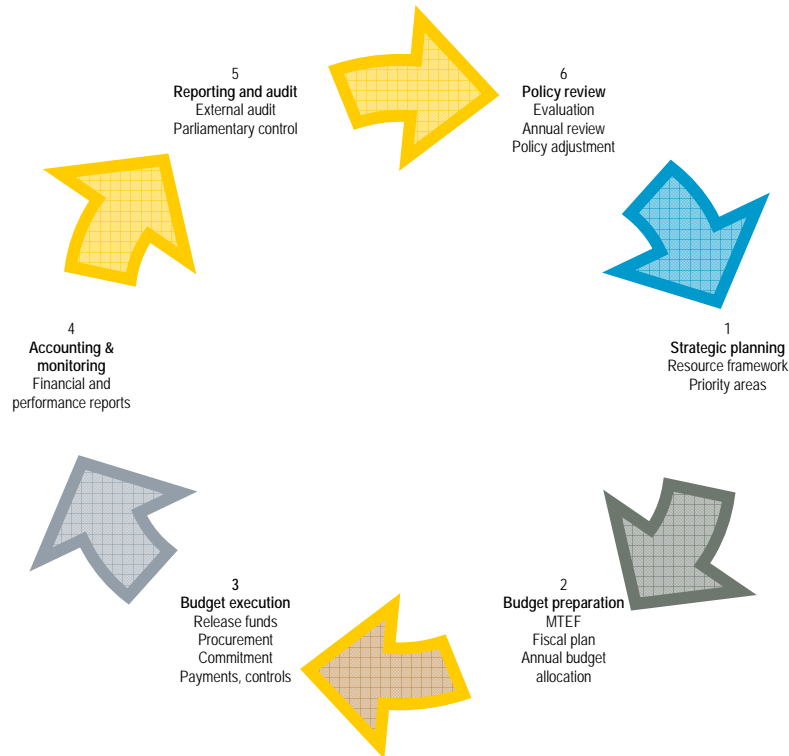
- The budget must be credible, realistic and implemented as intended.
- The budget and fiscal risks are comprehensive and the information should be available to the public.
- The budget is prepared with the country's policies in mind.
- The budget process is predictable and there are control mechanisms in place.
- An effective accounting, reporting and recording mechanism for the implementation of the budget is in place.
- Public finances should be open to scrutiny and audits.

9.3 An overview of the public financial management process

The budget is the centre of the PFM process and starts with the preparation of comprehensive annual and multi-annual plans that reflect the political priorities. Planning involves priorities that are linked to the budget and are costed with a time frame attached to activities. In the preparation of the budget, the fiscal plan, annual budget and the medium-term expenditure framework (MTEF) must be taken into consideration (Figure 9.1). After approval of the budget, it should be executed through financial management systems and with the appropriate controls in place. The public financial management process is dependent on a sound reporting system,

reporting on both financial and performance activities. Audits are dependent on the information gathered throughout the budget process and external audits ensure quality and transparency. The final element in the budget process is policy review, where evaluations and review outcomes are used to update and adjust policies. Then the whole process starts again with the planning activity.

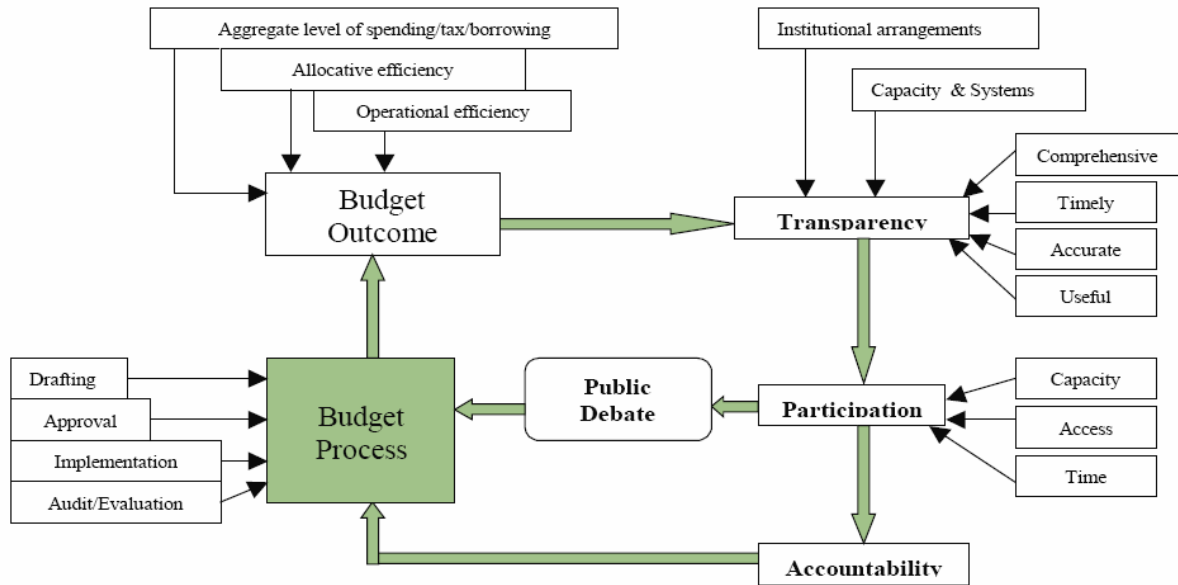
Figure 9.1 The budget process



Source: Olander, S. (ed.) 2007. *Public Financial Management in development cooperation*. Stockholm: Sida.

The major actors in the PFM system are the ministry of finance, the government departments in all spheres of government, parliament and the auditor general.

Figure 9.2 Budget process relations



Source: Economic Commission for Africa. 2005a. Assessing public financial management and accountability in the context of budget transparency in Africa. Addis Ababa: UNECA

Fiscal transparency is important in a budget system for oversight, accountability, participation and sanction in the pursuit of good economic practices (Figure 9.2). The requirements for successful fiscal transparency practices are political will and commitment; commitment to fight corruption; a strong legal framework and enforcement mechanisms and citizen participation (Economic Commission for Africa, 2005a:6). The primary concern of public financial management is how to utilise public resources effectively and efficiently to meet the needs of the community in an equitable manner (Economic Commission for Africa, 2005c:56). In the light of the scaling up of funding to the HIV/AIDS epidemic, the importance of an efficient and effective public financial management system cannot be overemphasised.

9.4 Disparities between global HIV/AIDS funding and other relief efforts

On 26 December 2004, a tsunami in south-east Asia created a disaster of enormous proportions which left 283 000 people dead and created millions of dollars' damage

(Christi, Asrat, Jiwani, Maddix & Montaner, 2006:2). The images of monster waves smashing everything in its path and displacing people looking for their loved ones flooded the world media. The international community responded immediately with pledges of relief. Rescue workers, medical staff and relief workers streamed to the affected areas with assistance.

In contrast to the tsunami disaster, the response to the AIDS epidemic was slow and relatively small. The AIDS epidemic has a long-wave effect and the disaster only became visible after some years. When people are ill and dying, it is almost too late to start with emergency response to the epidemic. Then there is the question of how many people are infected and how many are affected. Initially, all these factors made the AIDS epidemic difficult to be classified as a disaster, but 25 years into the epidemic with more than 25 million people who succumbed to AIDS, about 38 million people infected and millions more affected, makes a decisive case for the declaration of a disaster. When a costing comparison is made between AIDS and a potentially global epidemic such as the avian flu in 2004 (Figure 9.1), it is clear that costs to the AIDS epidemic fall significantly short. The question is: who is vulnerable, who is infected and who will be affected? In 2004, the international community spent US \$1.9 billion on combating avian flu which equals a ratio of funding to cases of US \$11.9 million per case, while the AIDS epidemic's ratio of funding per case was US \$153.

Table 9.1: Comparison between AIDS and avian flu in 2004

	HIV/AIDS	Avian Flu
Numbers affected	40,000,000	160 cases
Number of deaths	3,100,000	85
Funding committed (US \$)	6,100,000,000	1,900,000,000
Ratio of funding to deaths (US \$)	1,968/death	22,000,000/death
Ratio of funding to affected (US \$)	153/case	11,900,000/case

Source: Christi, T., Asrat, G.A., Konig, F., & Montaner, J.S.G. 2006. *An ethical analysis contrasting international HIV/AIDS relief efforts with relief efforts for other diseases and disasters*. XVI International AIDS Conference, Toronto, Canada. 13-18 August (Available on CD-Rom).

Even when a comparison is made between the AIDS epidemic and other disasters such as the south-east Asia tsunami or Hurricane Katrina, the AIDS epidemic gets the short end of the stick. Hurricane Katrina killed 1 417 people, affected 1.4 million people and US \$62.3 billion was committed for relief work (Figure 9.2). In the aftermath of the south-east Asia tsunami, governments, non-governmental organisations, faith-based organisations, and individuals of the public demonstrated their collaboration to co-ordinate the largest humanitarian relief effort in history (Christi Asrat, Konig & Montaner, 2006:2).

Table 9.2: Comparison between AIDS and other disasters in 2004

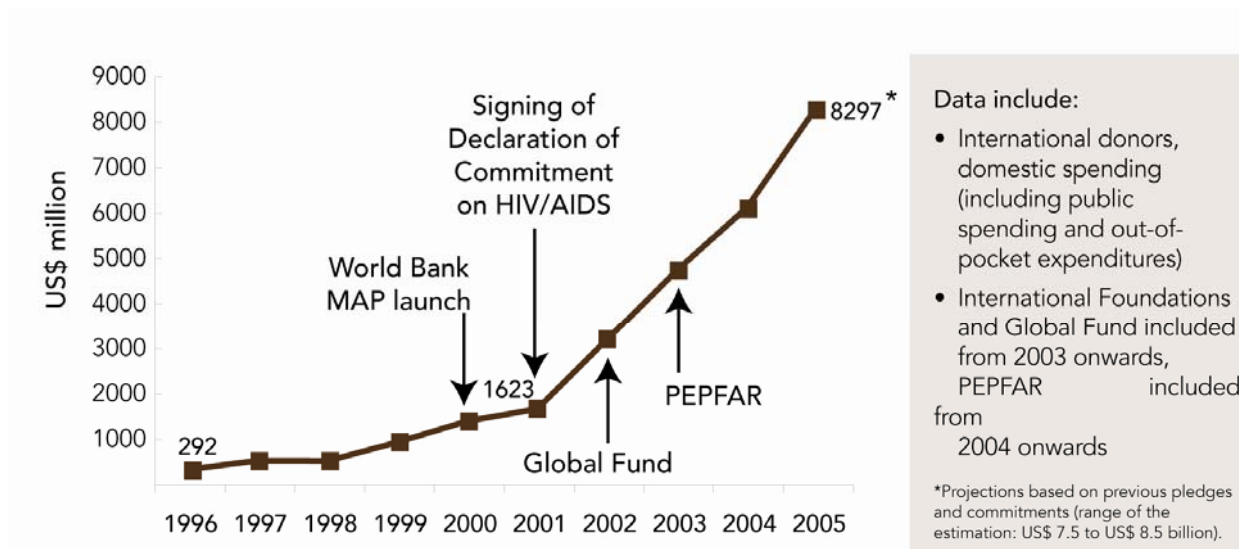
	Hurricane Katrina	South-east Asia tsunami	HIV/AIDS
Numbers affected	1,400,000	3,000,000	40,000,000
Number of deaths	1,417	283,000	3,100,000
Funding committed (US \$)	62,300,000,000	10,000,000,000	6,100,000,000
Ratio of funding to deaths (US \$)	33,900,000/death	35,336/death	1,968/death
Ratio of funding to affected (US \$)	44,286/case	3,333/case	153/case

Source: Christi, T., Asrat, G.A., Konig, F., & Montaner, J.S.G. 2006. *An ethical analysis contrasting international HIV/AIDS relief efforts with relief efforts for other diseases and disasters*. XVI International AIDS Conference, Toronto, Canada. 13-18 August (Available on CD-Rom).

9.5 Global call for HIV/AIDS funding

In the beginning of the 21st century, financing of the global HIV/AIDS epidemic intensified with a renewed commitment from both the developing and developed world. It was clear that to combat the spreading epidemic, it could not be 'business as usual'. A worldwide call was made to scale up funding for the MDGs and in particular for the AIDS epidemic. The year 2001 can be seen as the watershed in commitments made to HIV/AIDS (Figure 9.3) as funding almost more than doubled from 2001 to 2002.

Figure 9.3 *Estimated total resources available for HIV/AIDS 1996 – 2005*



Estimated total annual resources available for AIDS, 1996–2005

Source: Piot, P. 2006. *Innovative financing: Exceptionality of AIDS*. Brookings Institution and Health Financing Task Force, Washington, D.C. [Online] Available at: <http://www.unaids.org> [Accessed: 31 December 2007].

9.5.1 Abuja Declaration

During the Abuja summit in Nigeria in 2001, the heads of state and government of the Organisation of African Unity (OAU) declared that they considered AIDS as a state of emergency in the continent (United Nations Economic Commission for Africa (UNECA), 2001:3). In the Abuja Declaration, the delegates committed their countries to a comprehensive response to the epidemic and also requested the donor community to complement Africa’s resource mobilisation efforts. The Abuja Declaration can be viewed as a milestone in the African continent’s response to the AIDS epidemic.

9.5.2 UN Declaration of Commitment on HIV/AIDS

During June 2001, with the UN Declaration of Commitment on HIV/AIDS, the heads of state and government representatives acknowledged that AIDS is a global crisis

and needs global action. The UN Declaration of Commitment on HIV/AIDS recalled and reaffirmed previous commitments made on AIDS (Table 9.3). One of the key focuses of the declaration was to mobilise funding for the AIDS epidemic.

Table 9.3: Commitments to combat HIV/AIDS up to 2001

1999 –	The commitments to implement the programme of action of the International Conference on Population and Development
2000 –	The United Nations Millennium Declaration
2000 –	The commitments of the World Summit for Social Development
2000 –	The declaration to implement the Beijing Declaration and Platform for Action
2000 –	The declaration of the Tenth Ibero-American Summit of Heads of State
2000 –	The Baltic Sea Declaration on HIV/AIDS Prevention
2001 –	The regional call for action to fight HIV/AIDS in Asia and the Pacific
2001 –	The Abuja Declaration and Framework for Action
2001 –	The Pan-Caribbean Partnership against HIV/AIDS
2001 –	The European Union Programme for Action: Acceleration Action on HIV/AIDS, malaria and TB
2001 –	The Central Asian Declaration on HIV/AIDS

Source: UNAIDS. 2003b. Declaration of Commitment on HIV/AIDS. [Online] Available at: http://data.unaids.org/publications/irc-pub03/aidsdeclaration_en.pdf [Accessed: 12 July 2007].

Despite the many declarations and commitments to implement programmes of action on HIV/AIDS, the actual implementation was slow. This was due to a lack of funding on the one hand and the lack of political commitment on the other.

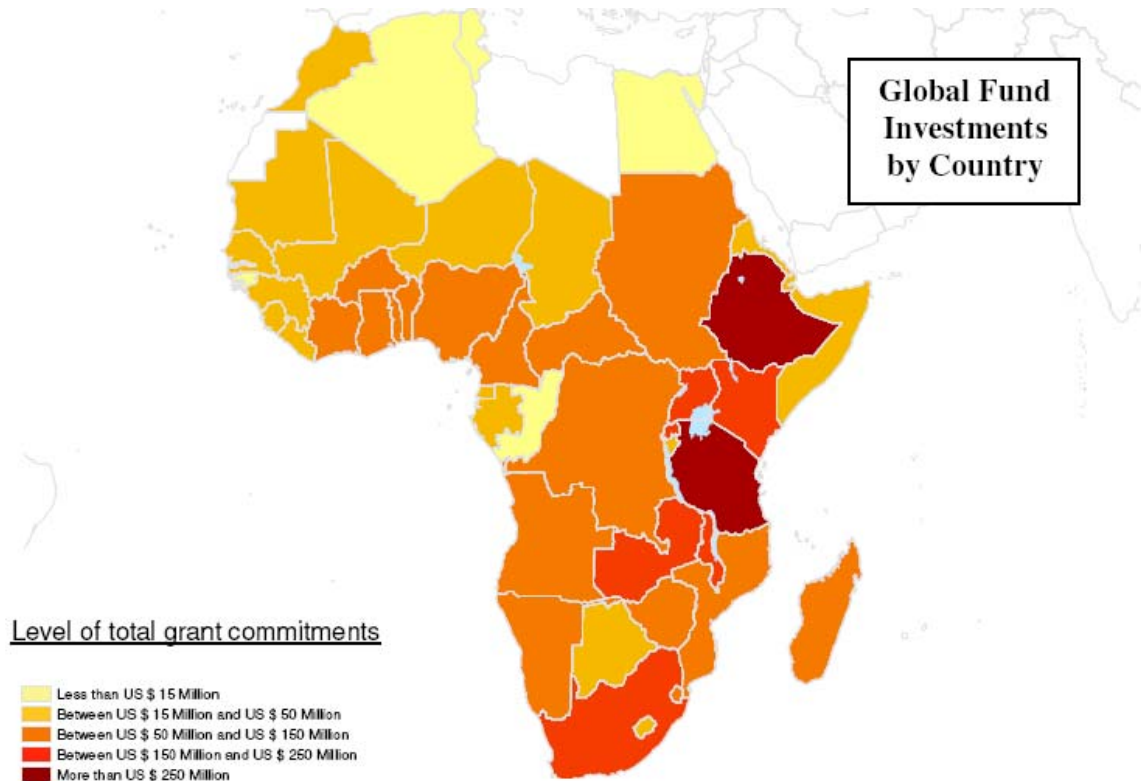
9.5.3 The Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM)

The GFATM or Global Fund for short, was created in 2002 to finance the world's fight against AIDS, tuberculosis and malaria. In sub-Saharan Africa, HIV infection is the driver of the tuberculosis and malaria epidemics, as HIV-infected people are more susceptible to diseases. The Global Fund is based on a model of lessons learned from years of experience in development finance and based on the following three principles (Global Fund, 2007):

- investing in local priorities;
- fostering partnership to achieve impact; and
- spending money where it matters most.

The Global Fund has disbursed US \$3.2 billion up to 2006 in almost every country on the continent. Sub-Saharan Africa received the biggest share of the Global Fund (Figure 9.4) because the burden of disease is the greatest.

Figure 9.4: Global Fund investments by country, 2006



Source: Global Fund. 2007. *A force for change: the global fund to fight AIDS, Tuberculosis and Malaria*. [Online] Available at: http://www.theglobalfund.org/en/files/publications/factsheets/africa/Global_Fund_Africa_Update_January2007.pdf [Accessed: 12 July 2007].

9.5.4 The UN Millennium Project

The UN Millennium Project was commissioned in 2002 with the aim of developing an action plan for the world to turn around poverty, eradicate diseases and end hunger (UN Millennium Project, 2005). About one-sixth (about 1 billion) of the world's people live in abject poverty. The project assists developing countries to speed up implementation and delivery to achieve the MDGs. Although the Millennium Project's task forces have started with some pilot countries, the donor countries have been requested to keep up their end of the global deal by matching the 0.7 pledge they made.



9.5.5 Gleneagles

At the Gleneagles Summit of 2005 the world leaders pledged to double aid to developing countries to reach US \$50 billion by 2010 (G8, 2005). The summit acknowledged African leaders' commitment to reduce poverty and disease and promote economic growth. Aid to reach the MDGs by 2015 was reaffirmed and special mentioning was made of the support for AIDS. The world leaders also agreed to cancel the debt of very poor countries.

9.6 Sources and forms of funding for HIV/AIDS

From the onset of the AIDS epidemic, the battle to secure funding was fierce. Because of the nature of the AIDS epidemic and with the stigma attached to it, it was difficult to obtain leadership commitment and funding. After the United Nations made the commitment to establish UNAIDS, the epidemic received more attention and commitment for funding. Subsequently, funding the AIDS epidemic has become an industry on its own with governments, private funds and multilateral organisations pledging money to curb the disease.

9.6.1 Forms of funding for HIV/AIDS

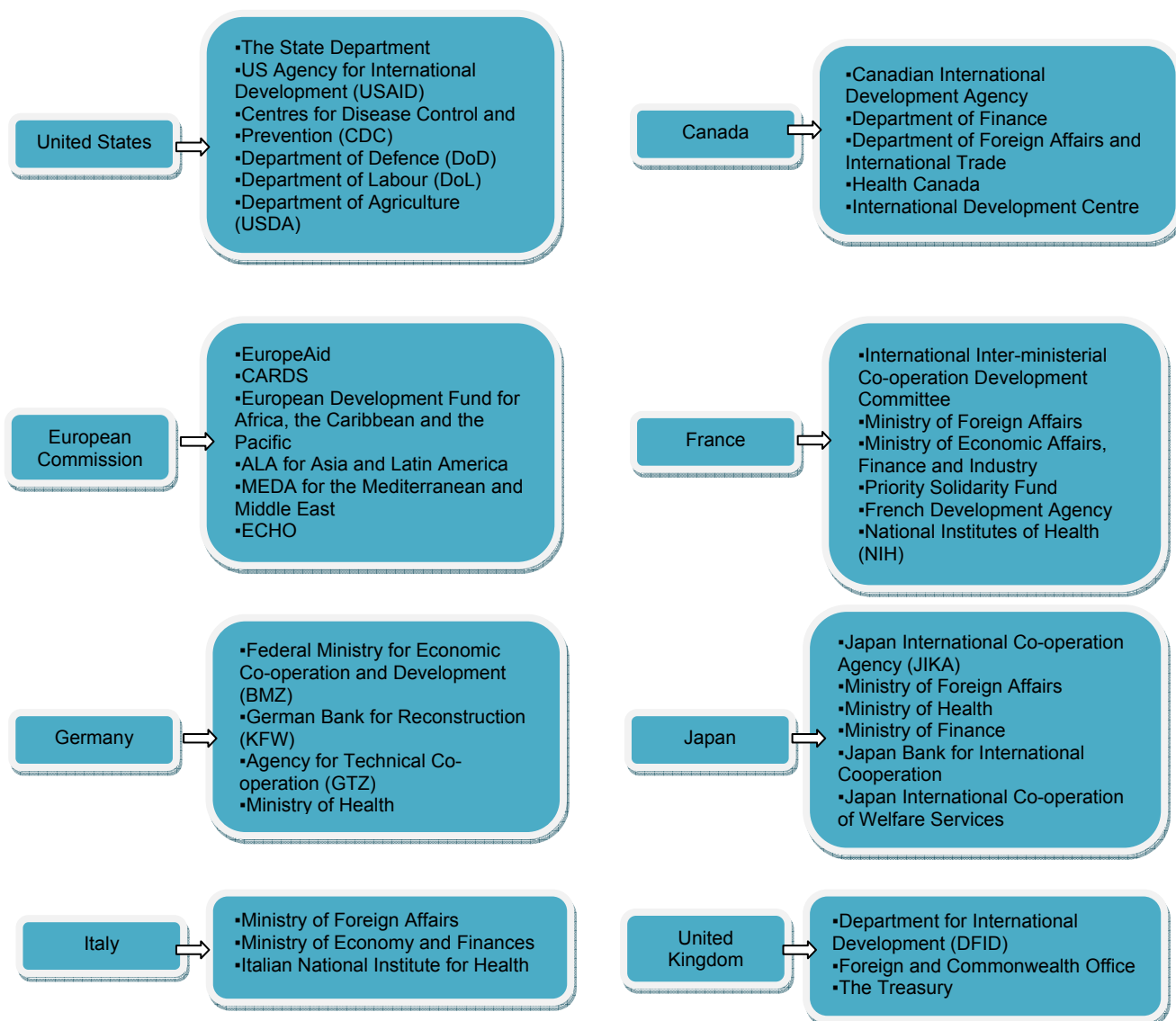
There are many forms of financial and other assistance to deal with HIV/AIDS, such as official development assistance (ODA) and official assistance (OA) for respectively developing and transitional countries (Kates, 2005:4). The financial assistance can be in the form of grants, loans, concessional loans, commodities and/or technical assistance and can be channelled through bilateral, multilateral and/or direct support. Donor funding can be volatile due to factors like the length of funding cycles, disbursement rates, regionalism, tied funding and conditionality. At recipient country level, 25 donors simultaneously each with its own administrative and monitoring and evaluation system, presented difficult challenges.

9.6.2 Sources of funding for HIV/AIDS

Donor governments have organised their financial support to developing countries through the Organisation for Economic Cooperation and Development's

Development Assistance Committee (OECD/DAC). Among the DAC, the G7 provides about 75% of development assistance and together with Sweden and the Netherlands also provides the greater part of ODA for HIV/AIDS (Kates & Lief. 2006:3). Within some of the G7 countries and the European Commission there are multiple agencies, programmes and projects to manage ODA for AIDS.

Figure 9.5: Agencies and departments for HIV/AIDS assistance (EC & G7)



Source: Adapted from: Kates, J. & Lief, E. 2006. *International assistance for HIV/AIDS in the developing world: Taking stock of the G8, other donor governments and the European Commission*. The Henry J. Kaiser Family Foundation. [Online] Available at: <http://www.kff.org> [Accessed: 13 July 2007].

The US channels funding to HIV/AIDS programmes/projects through seven different agencies. The US has further launched a special HIV/AIDS initiative, the US President's Emergency Plan for AIDS Relief (PEPFAR) in 2003, a five-year US \$15 billion initiative to respond to HIV/AIDS, TB and malaria (Kates & Lief, 2006:5). The EC and G7 have 40 agencies/departments channelling funding to HIV/AIDS programmes alone. The donor governments' financial contributions for AIDS programmes are through bilateral and multilateral commitments. In 2004, some US \$1770,3 was committed of which US\$1327.1 was disbursed (Table 9.4). The estimated disbursement rate in 2004 was 75%. The most important multilaterals in the AIDS arena are the Global Fund, the World Bank and the United Nations.

Table 9.4: DAC members' support (in US\$ millions) to HIV/AIDS in 2004 (confirmed figures)

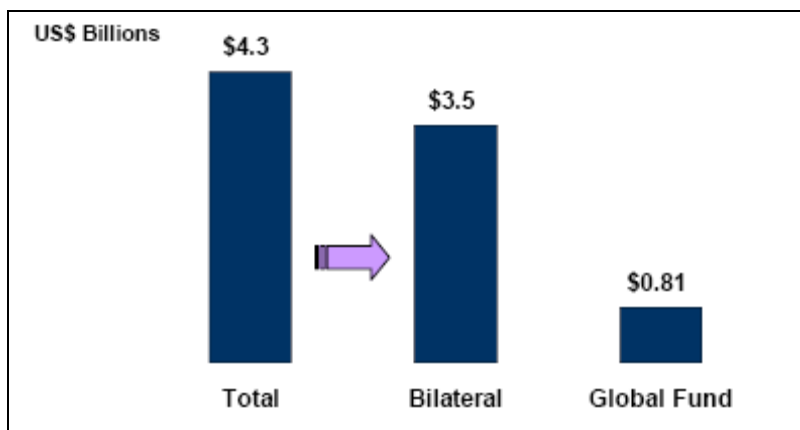
Donors	Bilateral commitments	Imputed multilateral commitments	Total HIV/AIDS commitments	Bilateral disbursements
Australia	3.7	12.2	15.9	.*
Austria	1.2	3.6	4.8	0.9
Belgium	30.4	21.4	51.8	11.5
Canada	134.3	26.2	160.4	73.6
Denmark	9.2	22.7	31.9	5.4
Finland	4.7	7.3	12.0	.*
France	11.1	135.3	164.4	3.5
Germany	84.5	76.9	161.3	27.1
Greece	0.6	2.1	2.7	0.6
Ireland	5.8	5.5	11.3	5.8
Italy	2.4	16.9	19.3	3.0
Japan	3.1	80.6	83.7	7.3
Luxemburg	3.6	2.1	5.7	3.6
Netherlands	90.5	83.6	174.1	50.0
New Zealand	0.7	1.4	2.1	0.6
Norway	15.4	42.7	58.1	27.4
Portugal	0.1	2.1	2.2	0.1
Spain	7.5	23.1	30.6	7.5
Sweden	58.2	52.9	111.1	46.8
Switzerland	7.8	10.0	17.7	5.5
United Kingdom	120.8	76.5	197.3	134.7
United States	1107.4	326.5	1438.8	901.3
European Commission	67.4	29.3	96.7	10.8
Total DAC members	1770.3	1031.6	2801.8	1327.1

*Data not available

Source: Adapted from: Organisation for Economic Co-operation and Development (OECD). 2005b. *Measuring aid in support of HIV/AIDS control*. [Online] Available at: <http://www.oecd.org/dataoecd/35/52/37266050.pdf> [Accessed: 21 June 2007].

Other sources of funding for HIV/AIDS in addition to bilateral and multilateral funding are the private sector and domestic resources. The private sector contribution includes charitable and philanthropic organisations, corporations, international NGOs and individuals. During 2005, a total of US \$4.3 billion was committed for the AIDS epidemic, of which US \$3.5 billion was bilateral commitments (Figure 9.6).

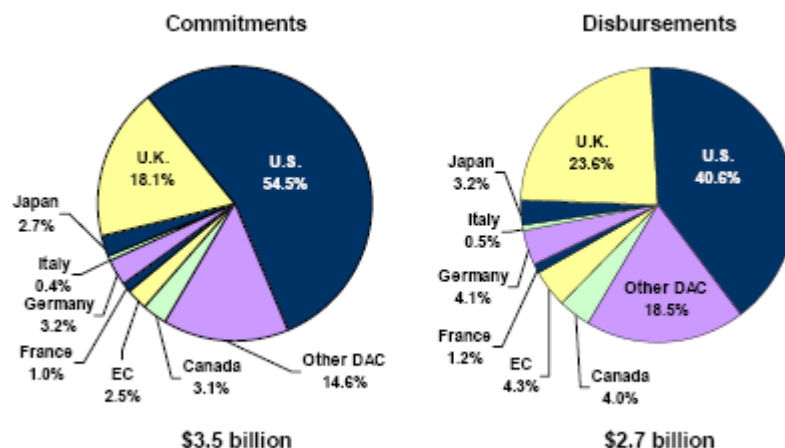
Figure 9.6 Total G7, EC and other donor government commitments for AIDS, 2005



Source: Kates, J. & Lief, E. 2006. *International assistance for HIV/AIDS in the developing world: Taking stock of the G8, other donor governments and the European Commission*. The Henry J. Kaiser Family Foundation. [Online] Available at: <http://www.kff.org> [Accessed: 13 July 2007].

Although the US committed the highest amount of funding to the AIDS epidemic in 2005, its overall aid commitments was 0,22 of GNI, less than 32% of the UN target of 0.7 of GNI (Organisation for Economic Co-operation and Development (OECD), 2005b). The debate of assessing 'fair share' has been ongoing for many years. The OECD and UN use 'fair share' as 0,7% of GNI and countries who reached the target, are known as the 0,7 countries. Issues such as relative wealth, the 'total' that is needed for AIDS, the way share is measured as GNI or GDP and other donor contributions not officially tallied are debated. This is a complex issue and the way in which share is calculated will affect the answer directly. The debate includes: who can receive aid and when? Russia, for example, a member of the G8, is a recipient of international assistance for HIV/AIDS, but did, in 2005, contribute to the Global Fund.

Figure 9.7: G7 and EC as share of bilateral commitments and disbursements for AIDS, 2005



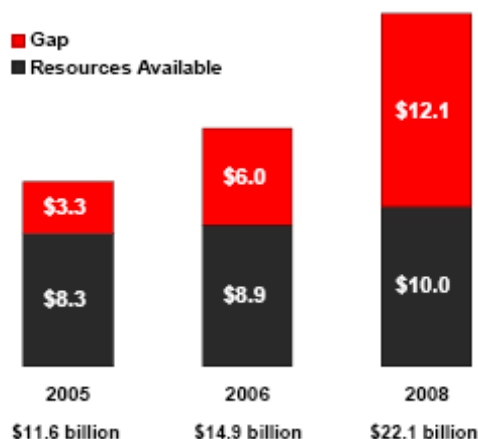
Source: Kates, J. & Lief, E. 2006. *International assistance for HIV/AIDS in the developing world: Taking stock of the G8, other donor governments and the European Commission*. The Henry J. Kaiser Family Foundation. [Online] Available at: <http://www.kff.org> [Accessed: 13 July 2007].

The disbursement rate for HIV/AIDS in 2005 was approximately 77%. Despite the US \$3.5 billion committed and US \$2.7 billion disbursed in 2005, the global AIDS programme needs more support.

9.7 The funding gap

In 2006, UNAIDS estimated that the global HIV/AIDS programme will need US \$14.9 billion, compared with the US \$8,9 billion available (Kates & Lief, 2006:16). UNAIDS further estimates that by 2008, the funding gap will be more than half of available money. With 2015 and the MDG achievement looming, the importance of HIV/AIDS should not be underestimated. Six of the MDGs are closely linked with the AIDS epidemic and if the epidemic is not resolved adequately, the achievement of the MDGs will not be realised.

Figure 9.8 Funding available compared with estimated need



Source: Kates, J. & Lief, E. 2006. *International assistance for HIV/AIDS in the developing world: Taking stock of the G8, other donor governments and the European Commission*. The Henry J. Kaiser Family Foundation. [Online] Available at: <http://www.kff.org> [Accessed: 13 July 2007].

9.8 Scaling up HIV/AIDS financing

Some issues relating to scaling up of HIV/AIDS financing are the discrepancy between pledged, committed and disbursed funding; the comparison of AIDS budgets to resources spent in other health areas like TB; utilisation of funds for the right programmes; the disbursement rate; corruption; the effective and efficient use of funding channels; the fair allocation of resources; and the absorption capacity of countries.

9.8.1 The money must work effectively

Aid for HIV/AIDS is mostly going to countries that are dependent on aid to achieve most if not all of their development goals. The multiplicity of funding modalities in the donor field makes the absorption and spending of aid a challenge. The ideal is that aid should be absorbed and spent for the appropriate development programmes. As illustrated in Figure 9.7, the EC and G7 could channel their funds through 40 different agencies, and adding up the other bilateral donors and private sector donors, the situation for the recipient of aid can be overwhelming. The new aid architecture, which is based on harmonisation, co-ordination, alignment and managing for results,

is difficult to implement with vertical initiatives such as PEPFAR, the Global Fund and the World Bank's Multi-country HIV/AIDS Programme (Saasa, 2007). The challenge is to make the available money work effectively for countries. The aid modalities, general budget support (GBS) and sector-wide approach (SWAp), have been acknowledged to have advantages under the new aid architecture.

9.8.2 General budget support (GBS)

General budget support (GBS) or direct budget support is a method of financing a recipient country's budget by means of a transfer of money from an external financing agency to the recipient country's national treasury. This method can be seen as a joint mechanism of both donor and government to channel external funds through national budgets, thus utilising the recipient country's financial systems to complement national budgets on nationally agreed priorities (Merid, 2006). The goal of direct budget support is to provide predictability and flexibility on funding flow to the partner country. It also gives the donor a platform for political dialogue in which donors can influence recipient countries' policy. Because policies and priorities are developed and defined by the recipient country, there are ownership and buy-in for development initiatives. The recipient country's financial management and procurement system will be utilised and in the process institutional capacity will be improved while transaction costs are reduced. The general budget support method embraces the adoption of internationally accepted accounting and audit systems by the recipient, while donors agree on one reporting mechanism. The method, if practised effectively, should see a shift from conditionality to true partnership. A key principle of GBS is maintaining overall transparency of all processes all the time.

General budget support embraces the fundamental principles of the Paris Declaration, namely ownership, alignment harmonisation and managing for results. The advantages of GBS are lower transaction costs, efficient allocation of public funds, more predictability of aid flows, enhancement of government systems and more accountability on domestic expenditure (Saasa, 2007).

9.8.3 Sector-wide approach (SWAp)

Sector-wide approach (SWAp) is a set of operating principles whereby donors and development partners work together in support of public sector programmes to improve the efficiency and effectiveness of resource utilisation in a specific sector. The approach with SWAp is much the same as with general budget support, but with the focus on a specific sector's budget, not the national budget. In the case of HIV/AIDS, the focus will be on the health sector, and in particular the HIV/AIDS programme of the recipient country. Some of the benefits to the recipient country are medium- to long-term funding and basket funding from donors. The emphasis is on sustained partnerships and joint ownership, and the utilisation of existing management arrangements of the recipient country.

9.9 Financing HIV/AIDS Interventions

The AIDS epidemic is special and for many years organisations and individuals fought hard for it to be recognised as a global threat. To change the funding modality of HIV/AIDS so that it disappears into an overall budget, may push back the gains made to date. Due to the nature of the epidemic, clouded in stigma, discrimination and denial, it is imperative to separate funding initiatives and highlight the epidemic as a global threat. HIV/AIDS interventions could be considered under the SWAp method of funding with the UN's Three Ones and the Paris Declaration on Aid Harmonisation as guiding principle. There are numerous initiatives to make aid easier to give and receive, but the practice is not as easy as the theory.

9.10 Challenges of existing funding modalities

Despite the adoption of the Paris Declaration for Aid Harmonisation, multiplicity in funding methods still exists. The new aid architecture is based on harmonisation, co-ordination, alignment and managing for results. Vertical funding programmes like PEPFAR, the Global Fund and the Clinton HIV/AIDS Initiative compromise the Three Ones initiative of the UN. Because the AIDS epidemic is multidimensional and multisectoral in character, to fund AIDS initiatives only is difficult (Saasa, 2007). Prevention activities include treatment for tuberculosis and sexually transmitted

infections (STIs), condom procurement and distribution, research on cultural practices, gender issues, sex and sexuality, gender-based violence and attitude and behaviour change. Although these interventions are not HIV/AIDS activities, they are closely linked to the epidemic.

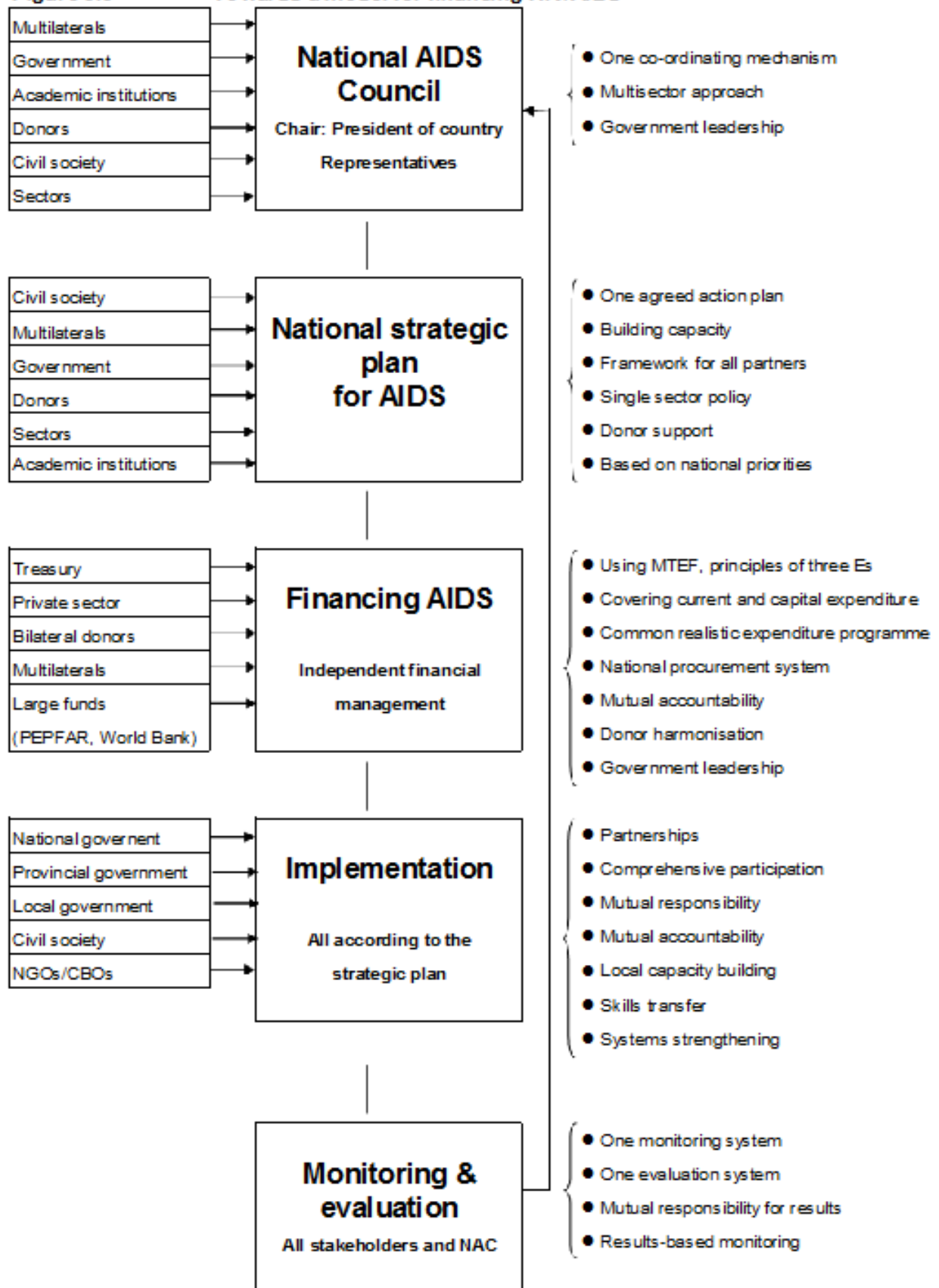
Many developing countries have limited institutional capacity to absorb and spend the additional donor funding. South Africa as a middle-income country has huge capacity challenges, especially in the healthcare sector. Although the South African government has made adequate funds available to implement the National Strategic Plan for HIV/AIDS 2007-2011, creative new ways should be found to build systems and capacity to spend the money according to the plan.

9.11 Towards a model for financing HIV/AIDS

A model for financing HIV/AIDS should be developed and implemented. This model could be used to build capacity, strengthen systems and institutions and incorporate internationally agreed conventions and agreements. The principles of the Three Ones, namely that there should be one agreed HIV/AIDS action framework providing the basis for co-ordinating the work of all partners, one national AIDS coordinating authority with a broad-based multisectoral mandate and one agreed country-level monitoring and evaluation system, fit well into the SWAp framework. Both these modalities have elements of the Paris Declaration which, when applied to HIV/AIDS as a sector, could provide a practical model.

The proposal is to remove the HIV/AIDS programme out of government and establish a multisectoral broad-based authority with the highest political figure at its head, preferably the president of the country. The National AIDS Authority would consist of members nominated by sectors and this authority would oversee the HIV/AIDS Programme of the country. The establishment of an AIDS stabilisation fund would assist with a rapid response in service delivery scale-up. The stabilisation fund would function as a reservoir for all funds committed to HIV/AIDS, both domestic funds and donor funds (Lewis, 2005:5). One financial and one monitoring and information system will assure harmonisation among donors and alignment of donors with the country's priorities and systems.

Figure 9.9 *Towards a model for financing HIV/AIDS*



Source: Own model

In this model the National AIDS Council (NAC) will have an oversight role of a country's AIDS programme. As mentioned before, the NAC should consist of sector representatives who will also assume an advisory role. The NAC will co-ordinate all activities relating to the AIDS programme through a multisectoral approach and government leadership and commitment. The country will have a national strategic plan for HIV/AIDS developed by all role-players: government, civil society, multilaterals, sectors, donors and academic institutions. The plan will be the framework for all partners and it should be based on national priorities which will ensure ownership. The biggest problem facing the implementation of a country's AIDS programme is the fragmentation thereof at all levels. The planning, financing, implementation, monitoring and evaluation of the AIDS programme take place at different levels, through different institutions and different agendas.

Financing of the model is based on the principles of the Paris Declaration on aid harmonisation and alignment with the alignment of all finances to the country's public financial management and procurement systems. The members of the NAC should have mutual accountability with regard to the planning, financing, implementation, monitoring and evaluation of the AIDS programme. The programme should be based on partnerships and where possible government and other systems should be strengthened through a framework of capacity building. The model aims to have one strategic framework, one overarching and representative management body, one financial system, one monitoring system and one evaluation system. This will harmonise all efforts in order to pool finances, identify gaps and provide a tool for rapid response to emergencies. All the role-players will be mutually responsible and accountable for results.

9.12 Conclusion

The impact of the AIDS epidemic has urged a great response from the international community and after many years of struggling to obtain funding, financing for HIV/AIDS has now been scaled up dramatically. HIV/AIDS programmes in the developing world, especially sub-Saharan Africa, have received large amounts of

funding over the last five years. The question now is: how will the developing countries be able to spend the funds, and will the funding be spent on the right programmes? Limited resources in the public health delivery system and weak institutions could limit the flow of aid and undermine absorption of funds.

The cost and impact of the epidemic in human lives and suffering cannot be counted and billions of US dollars have been spent to alleviate the impact of the epidemic. Billions more will be spent, but is the effort enough? Not only need the HIV/AIDS mitigation programmes to be more effective, there is a need to implement changes in the way ODA is mobilised and supplied to partner countries.