

09 May 2003

## **SMALL-SCALE TECHNICAL ASSISTANCE (SSTA) 6106: FINANCING NEEDS FOR HIV/AIDS PREVENTION AND CARE IN ASIA AND THE PACIFIC**

### **I. INTRODUCTION AND ISSUES**

1. ADB's Long Term Strategic Framework commits it to supporting the achievements of Millennium Development Goals (MDGs) in the region. The MDG related to HIV/AIDS seeks to halt and begin to reverse the spread of HIV/AIDS by 2015. However, progress in this direction has not been encouraging. More than 1 million people in the region acquired HIV in 2002, bringing the number of people now living with HIV/AIDS to more than 7 million. There has been more than a 10% increase in the prevalence of HIV since 2001. Although national HIV prevalence levels remain comparatively low in most countries of the region (with the exception of Cambodia, Myanmar and Thailand), due to large population sizes these translate into big numbers of people living with HIV. Both China and India are experiencing serious, localized epidemics that are affecting many millions of people. One major constraint to an effective response to the epidemic in the region has been the low levels of funding for prevention and control of HIV/AIDS. It is generally believed that these levels need to go up several fold to put the region on the way to achieving the HIV/AIDS-related MDG. This will require evidence-based advocacy with senior policymakers in our developing member countries to demonstrate the gaps in the existing response and emphasize the urgent need for accelerating the prevention and care efforts.

2. A basic requirement for accelerating the response to the HIV/AIDS epidemic is to carefully assess the financing needs and existing gaps. On 8 April 2003, the Knowledge Management Committee approved a small-scale technical assistance (TA) to undertake this assessment.<sup>1</sup> Consultations were held with the South East Asia Inter Country Team (SEAPICT) of UNAIDS to prepare the TA proposal. A logical framework for the TA is available in Appendix 1.

3. UNAIDS and its partners have developed initial estimates of resource requirements for an effective package of interventions to reverse and halt the spread of the HIV/AIDS epidemic at the global level. These studies<sup>2</sup> estimate that \$9.2 billion will be required annually from 2005 to provide an expanded response to HIV/AIDS in 135 low and middle-income countries of the world. The annual financing needs for the Asia and Pacific region were estimated to be around \$3 billion.

4. These global financing estimates are based on unit cost estimates derived from several case studies and pilots that had not generally been scaled up to the national level of coverage. Much of these data came from studies in sub-Saharan Africa. Thus, the unit costs used in the existing estimated may not adequately reflect the epidemiological pattern and cost structure in Asia and the Pacific. Financing needs assessment at country level relies on assumptions about various factors, including the prevalence of and trends in HIV infection, sexual behavior in the population, the size of various subgroups vulnerable to HIV infection, program coverage, and the proposed optimal strategy for responding to the HIV/AIDS epidemic. In the absence of accurate information about many of these factors, the existing studies have had to make subjective assumptions. Verification of these assumptions with the involvement of government and civil society representatives at the country level will make the estimates more credible and acceptable.

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<sup>1</sup> The TA was listed in ADBBO for the first time in April 2003.

<sup>2</sup> Schartlander B. and others. 2001. "Resource needs for HIV/AIDS." *Sciencexpress. Policy Forum*. Published online 21 June 2001; 10.1126/science. 1062876. Stover J. and others. 2002. "Can we reverse the HIV/AIDS pandemic with an expanded response?" *Lancet* 2002; 360:73-77.

5. Furthermore, the available estimates do not account for the absorptive capacities of countries, and therefore, represent only a theoretical gap between needed and available resources. The estimates do not represent the additional resources that can actually be effectively used by countries to enhance their response to the HIV/AIDS epidemic. For example, the studies show that the HIV/AIDS financing gap in some countries amounts to more than 10 times of existing program expenditure. However, it is clear that even if these additional resources are made available, countries will probably not be able to use them effectively, due to weaknesses in existing capacity. Therefore, a more practical assessment of the financing needs would be useful, taking into account the abilities of countries to effectively use the additional resources. It would also be useful to identify possible measures to improve the absorptive capacity in the short and long terms. However, the major problem in the assessment of absorptive capacity is the lack of widely acceptable analytical framework. Therefore, the assessment may have to rely on certain assumptions related to absorptive capacity based on observed expenditure and budget availability.

6. Countries in the region are at different stages of the epidemic, requiring varying degree of emphasis on different program components to address the challenge of HIV/AIDS. For example, countries with localized and concentrated HIV/AIDS epidemics among certain subgroups will need to follow a different strategy as compared to those with generalized epidemics. The pattern of HIV/AIDS prevalence would need to be factored into the assessment of financing needs and gaps. It would also be important to assess the cost of not improving or delaying the response to HIV/AIDS.

7. The Inter American Development Bank (IDB) has undertaken a study to assess the HIV/AIDS resource needs in their region. The study findings are significantly different from the estimates prepared at the global level. IDB has agreed to share its experience with ADB and provide resources on a parallel basis to support the proposed study. In addition, UNAIDS has agreed to provide logistic support and contribute significant resources for the study.

## **II. THE TECHNICAL ASSISTANCE**

### **A. Purpose and Output**

8. The TA aims to develop the requisite tools and background information required for effective advocacy with top policymakers and international development agencies to enhance the response to the HIV/AIDS epidemic in the region. Specifically, the TA will support collaborative work with UNAIDS for developing tools and using them to assess existing financing needs and gaps in providing a package of essential HIV/AIDS prevention and care interventions in the region. The main outputs of the TA will include a manual for explaining steps of estimation of resource needs and strategic allocation of resources and computer software for assessing unit costs to estimate resource needs and a report on the financing needs and gaps in the region.

### **B. Methodology and Key Activities**

9. The TA will support the following main activities. (i) A survey will be organized through UNAIDS to assess the existing response to HIV/AIDS in the region. The survey will focus on both financial as well as institutional aspects of the response. (ii) A Unit Cost Program (worksheet program) and a manual for costing interventions for a national program will be developed to assess resource needs for HIV/AIDS programs at the country level. Financing for developing the tools will come primarily from UNAIDS. (iii) Two regional workshops will be organized in June 2003 to confirm the country level HIV/AIDS estimates and projections. The workshops, to be organized with financial support from UNAIDS, will include participants from 23 countries of South Asia, Southeast Asia, and the Pacific and Mekong sub-regions. Each country will be represented by two specialists who are familiar with the HIV/AIDS program in their country. (iv) These workshops will be followed by two regional workshops to confirm the preliminary estimates of financing needs, existing response and existing gaps. At these workshops, participants will be trained in using the input resource needs and goals software and models. Estimates of financing needs and gaps developed in these workshops will be further analyzed and discussed in country level workshops in selected

countries. A desk reviewer will also review existing gaps in the availability of resources and the adequateness of the response based on key informant interviews from the countries and other available secondary data. (v) Based on the outcome of these regional and country level workshops, and a desk study by an international consultant on the socio-economic impact of the epidemic in the region, a final report will be prepared summarizing the main findings and recommendations. Findings from another study on absorptive capacity, if found relevant and suitable, will also be incorporated in the summary recommendations. The findings of the report will be shared in a special session at the International Congress on AIDS in Asia and the Pacific in Kobe in December 2003. The findings will also be disseminated through websites of ADB, IDB and UNAIDS. While, the TA intends to cover the entire the Asia and Pacific region, specific countries have not been identified yet. However, before undertaking any country-based work, concurrence of the country will be obtained.

### **C. Cost Estimates and Financing Plan**

10. The total cost of the TA is \$442,000. ADB will provide \$150,000 equivalent on a grant basis from its TA funding program. ADB financing will cover: consulting services; production of reports; organization of workshops, studies, and field surveys; and administrative and support services. UNAIDS will contribute \$240,000 equivalent on a parallel basis for development of the Resource Needs Model and Resource Needs Manual, consulting services, organization of workshops, studies, and dissemination of the study findings. IDB will contribute \$52,000 on a parallel basis to support consulting services, organization of workshops and dissemination of study findings. Tentative cost-estimates and financing plan are available in Appendix 2.

### **D. Implementation Arrangements**

11. ADB through MKSS will be the Executing Agency for the ADB financed activities of the TA. A team of 2 international (3 person-months) and 1 regional consultants (2 person-months) will be recruited to provide specialist services in (i) HIV/AIDS Resource Needs Assessment; (ii) health economics; and (iii) HIV/AIDS program implementation. The services of all the consultants will be engaged as individuals in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements on the recruitment of domestic consultants satisfactory to the ADB. Outline terms of references for consultants are in Appendix 3. An Advisory Committee consisting of representatives from UNAIDS headquarters, UNAIDS SEAPICT, UNAIDS South Asia Inter Country Team, IDB, regional experts and ADB will be constituted to guide the TA implementation. The TA will start in May 2003 and end in December 2003.

### TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Project Targets (Verifiable Indicators)	Monitoring Mechanisms	Assumptions
<p><b>1. Sector/Area Goal</b></p> <ul style="list-style-type: none"> <li>HIV/AIDS prevention and control programs in the Asia and Pacific region receive appropriate level of financing</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate international and domestic funding for HIV/AIDS prevention and treatment by 2005</li> </ul>	<ul style="list-style-type: none"> <li>Country assessment of HIV/AIDS programs regularly organized by UNAIDS</li> </ul>	<ul style="list-style-type: none"> <li>Political commitment for HIV/AIDS prevention and treatment at domestic and international levels will continue to be high</li> </ul>
<p><b>2. Objective/Purpose</b></p> <ul style="list-style-type: none"> <li>Advocacy for appropriate levels of financing for HIV/AIDS programs with developing member countries and international agencies working in the sector</li> </ul>	<ul style="list-style-type: none"> <li>Increase in knowledge about financing gaps, and commitment, for supporting HIV/AIDS prevention and treatment programs among policy makers in national governments and international development agencies</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from ADB's country strategy and program missions and country program assessments by UNAIDS</li> </ul>	<ul style="list-style-type: none"> <li>International development agencies, other partners, and national governments will be able to allocate additional resources to fill the gaps in the programs.</li> </ul>
<p><b>3. Outputs</b></p> <p>(i) Tools for assessing financing needs for HIV/AIDS programs at national and sub-national levels</p>	<ul style="list-style-type: none"> <li>A Costing Manual for financing needs assessment</li> <li>A user-friendly computer program – Unit Cost Program</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from ADB, IDB and UNAIDS review missions</li> </ul>	<ul style="list-style-type: none"> <li>Reliable statistical information will be available to use the manual and the computer software.</li> </ul>
<p>(ii) Report on financing needs and gaps, and its dissemination</p>	<ul style="list-style-type: none"> <li>A report jointly published by ADB, IADB and UNAIDS</li> <li>Presentation of study findings at the International Congress on AIDS in Asia and the Pacific, Kobe</li> <li>Presentation of findings through ADB and UNAIDS websites</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from IDB, ADB and UNAIDS review missions</li> </ul>	<ul style="list-style-type: none"> <li>Easy-to-read and attractive format for the report will help in getting the attention of the intended target group.</li> </ul>
<p><b>4. Activities</b></p>			
<p>(i) Development of tools for assessing financing needs</p>	<ul style="list-style-type: none"> <li>The countries will have a better idea of the HIV/AIDS financing gaps.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from UNAIDS</li> </ul>	<ul style="list-style-type: none"> <li>Qualified consultants will be available.</li> </ul>

Design Summary	Project Targets (Verifiable Indicators)	Monitoring Mechanisms	Assumptions
(ii) Regional workshops on estimation and projection of HIV/AIDS prevalence (2)	<ul style="list-style-type: none"> <li>Careful assessment of current regional estimates and projections of HIV/AIDS prevalence.</li> </ul>	<ul style="list-style-type: none"> <li>Workshop report</li> </ul>	<ul style="list-style-type: none"> <li>Program managers from targeted countries will be available to participate.</li> </ul>
(iii) Regional workshops on financing needs assessment (2)	<ul style="list-style-type: none"> <li>Regional estimates of HIV/AIDS financing needs and gaps in the region.</li> </ul>	<ul style="list-style-type: none"> <li>Workshop report</li> </ul>	<ul style="list-style-type: none"> <li>Program managers from targeted countries will be available to participate.</li> </ul>
(iv) Country level workshops to confirm the financing estimates (20) [to be financed by UNAIDS]	<ul style="list-style-type: none"> <li>Confirmation of country level estimates of HIV/AIDS financing needs and gaps.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from UNAIDS</li> </ul>	<ul style="list-style-type: none"> <li>Program managers and senior policy makers will be available to participate.</li> </ul>
(v) Survey for HIV/AIDS response	<ul style="list-style-type: none"> <li>Report on existing available resources and response to HIV/AIDS in the region.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from UNAIDS</li> </ul>	<ul style="list-style-type: none"> <li>UNAIDS country office will be able to support the survey.</li> </ul>
(vi) Report writing	<ul style="list-style-type: none"> <li>Final report.</li> </ul>	<ul style="list-style-type: none"> <li>ADB, IDB and UNAIDS review</li> </ul>	<ul style="list-style-type: none"> <li>Qualified consultant will be available.</li> </ul>
(vii) Desk study on analysis of the current absorptive capacity of funds at the national levels and recommendations for follow up	<ul style="list-style-type: none"> <li>Draft report</li> </ul>	<ul style="list-style-type: none"> <li>ADB, IDB and UNAIDS review</li> </ul>	<ul style="list-style-type: none"> <li>Qualified consultant will be available.</li> </ul>
(viii) Desk study on socio-economic impact of HIV/AIDS in Asia and the Pacific	<ul style="list-style-type: none"> <li>Draft report on socio-economic impact of HIV/AIDS epidemic in the region.</li> </ul>	<ul style="list-style-type: none"> <li>ADB, IDB and UNAIDS review</li> </ul>	<ul style="list-style-type: none"> <li>Qualified consultant will be available.</li> </ul>
(ix) Dissemination of the study findings in the International Congress on AIDS in the Asia and the Pacific, Kobe	<ul style="list-style-type: none"> <li>Presentation of main findings of the study.</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from ADB, IDB and UNAIDS review mission</li> </ul>	<ul style="list-style-type: none"> <li>The organized session will be able to attract large audience.</li> </ul>
<b>5. Inputs</b>	<b>Resources</b>		
1. Consultants <ul style="list-style-type: none"> <li>3 person-months (international)</li> <li>2 person-months (regional)</li> </ul>	\$65,000		
2. Workshops	\$40,000		
3. Report preparation and dissemination	\$10,000		

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Cost
<b>A. Asian Development Bank Financing</b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	55
ii. Regional Consultant	10
b. International Travel	10
2. Workshops	40
3. Report preparation and dissemination	10
4. Miscellaneous Administration and Support Costs	5
5. Contingencies	20
<b>Subtotal (A)</b>	<b>150</b>
<b>B. UNAIDS Financing</b>	
1. Organization of HIV/AIDS estimation/projection workshops	100
2. Organization of regional and country level workshops for HIV/AIDS financing needs assessment	90
3. Development of tools (training manual/software) for assessing HIV/AIDS financing needs and gaps (including consulting services)	20
4. Dissemination	20
5. Support to desk review work and response survey (coordination and logistics)	10
<b>Subtotal (B)</b>	<b>240</b>
<b>C. Inter American Development Bank Financing</b>	
1. Consultants	
• International Consultants	32
2. Regional workshops	10
3. Report preparation and dissemination	10
<b>Subtotal (C)</b>	<b>52</b>
<b>Total</b>	<b>442</b>

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. HIV/AIDS Financing Expert – International (2 person-months)

1. The consultant will have the requisite background and experience in undertaking country level and regional assessments for HIV/AIDS program resource needs and gaps. The consultant will work under the overall technical guidance and supervision of the Advisory Group, and will be administratively responsible to the ADB task manager. The consultant will perform an overall coordinating role in implementing the TA and producing the final report. Specifically, the consultant will:

- (i) prepare the overall study design in consultation with the Advisory Group;
- (ii) assist UNAIDS in organizing the four regional and country level workshops;
- (iii) conduct training in using the Resource Needs Model and Resource Needs Manual in the workshops;
- (iv) supervise selected country level workshops as agreed with UNAIDS and ADB;
- (v) prepare the final report summarizing the findings of the study and incorporating the comments on various drafts within the agreed time-frame. The report will include the following:
  - (a) based on published and unpublished work related to HIV/AIDS resource needs, and the outcomes of the regional workshops, estimates of the funding requirements associated with a package of essential prevention activities, and expected coverage rates for the interventions selected. A brief description of the range of interventions that could fall under each package will also be provided.
  - (b) based on the response survey organized by the HIV/AIDS program expert and other available information and studies, estimates of the funding requirements associated with the cluster of HIV/AIDS care interventions, providing expected coverage rates for the interventions selected.
  - (c) estimates of the overall resource needs for HIV/AIDS, taking into account the absorptive capacity of countries, constraints in scaling up pilot projects to national levels and economies of scale that can be achieved in large programs. This information will be grouped by ADB sub-regions and should be comparable to earlier work done for Africa and Latin America. The report will compare current expenditure patterns on HIV/AIDS with estimates and identify areas where financing shortfalls and spending above the estimated needs occur.
  - (d) assessment of current international and national funding for HIV/AIDS programs and identification of areas where changes are required to meet the estimated resources needs.

- (e) assessment of the institutional constraints in increasing expenditures to the desired level and recommendations for capacity building and institutional strengthening.
- (f) Integration of the work done by the health economist on the socio-economic cost of delaying the appropriate response to HIV/AIDS
- (g) appendices, including:
  - the estimation equations used, a detailed description of unit costs figures, coverage targets, and data sources for the target populations; and
  - breakdowns of the estimates for prevention and treatment/care for each ADB borrowing member country; and by sub region.

#### **B. Health Economist – International (1 person-month)**

2. The consultant will have background and expertise in undertaking socio-economic impacts of communicable diseases and epidemics. The consultant, reporting to the UNAIDS South East Asia Inter Country Team (SEAPICT) and ADB, will prepare a draft report on the socio-economic impact of HIV/AIDS in the region. The consultant will estimate the impact at sectoral levels, especially on health services, at macro levels, especially on demographic indicators (adult mortality, life expectancy, infant mortality) and Gross Domestic Product, and at household levels including that on incomes, savings, assets, schooling and family size for different countries. Estimates will be done for different levels of HIV/AIDS prevalence (1%, 5%, 10%).

#### **C. HIV/AIDS Program Specialist – Regional (2 person-months)**

3. The consultant will be a regionally based (preferably in Bangkok) public health expert with experience and expertise in managing HIV/AIDS prevention and control programs. The consultant, supervised by UNAIDS SEAPICT and with support from UNAIDS offices in the region, will coordinate a response survey on HIV/AIDS. The survey will include the existing and projected financial resources from different international development agencies and national governments. The survey will also aim to estimate the gap between committed resources and actual expenditure and capture the institutional elements that provide some idea about the absorptive capacity for HIV/AIDS programs. Specifically, the consultant will:

- (i) develop a framework for the study and prepare and pretest a survey questionnaire or other instruments as required;
- (ii) send the questionnaire (or other survey instruments) to the study countries and coordinate with UNAIDS country programme officers in the region to obtain the responses;
- (iii) collate and analyze the collected information and organize it by different ADB sub-regions; and
- (iv) prepare a short report summarizing the main findings of the survey.