

# Eastern Europe and Central Asia

## Financial Resource Flows and Revised Cost Estimates for Population Activities

"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"

*Secretary-General Kofi Annan, Bangkok, December 2002*

### Why Fund Population Activities?

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 (ICPD), is vital for laying the foundation to reduce poverty in many of the poorest countries and for achieving the Millennium Development Goals.

### ICPD Financial Targets

At the ICPD in 1994, the international community agreed that US \$17 billion would be needed in 2000, \$18.5 billion in 2005, \$20.5 billion in 2010 and \$21.7 billion in 2015 to finance programmes in the area of population dynamics, reproductive health, including family planning, maternal health and the prevention of sexually transmitted diseases, as well as programmes that address the collection, analysis and dissemination of population data. Two thirds of the required amount would be mobilized by developing countries themselves and one third, or \$5.7 billion in 2000, \$6.1 billion in 2005, \$6.8 billion in 2010, and \$7.2 billion in 2015 was to come from the international community.

### Are the Original Targets Meeting Our Needs?

The ICPD financial targets were fixed some 15 years ago and do not meet current needs that have grown dramatically since the targets were agreed upon. At that time, the population and health situation in the world was much different than it is today. The HIV/AIDS pandemic has reached proportions that were never anticipated, and maternal and newborn mortality remains unacceptably high in many parts of the world. Health-care costs have increased dramatically and the lack of progress on ICPD targets has been identified as being linked to a number of issues including the lack of investment in the development and support of health systems and programmes. Costs of data collection have risen substantially. In addition, the value of the dollar today is far lower than it was in 1993. As a result, the original ICPD targets are simply not sufficient to meet current developing-country needs.



## What Will It Take To Achieve The ICPD Objectives Today: Revised Cost Estimates

To more accurately reflect the necessary financial resources currently needed to facilitate the achievement of the ICPD and MDG targets and to harmonize the ICPD financial targets with MDG costing, UNFPA undertook the task of reviewing estimates for the four components of the ICPD costed population package and produced revised estimates that meet current costs and needs. These revised estimates, which are much higher than the original ICPD targets agreed upon in 1994 because they take into account both current needs and costs, are included in the Report of the Secretary-General on *The Flow of Financial Resources for the Implementation of the Programme of Action of the International Conference on Population and Development* which was presented to the Commission on Population and Development in March 2009.

**Table 1. Revised ICPD Global Cost Estimates, 2009-2015 (Millions of US \$)**

Region/year	2009	2010	2011	2012	2013	2014	2015
<b>Sexual/Reproductive Health/Family Planning</b>	<b>23,454</b>	<b>27,437</b>	<b>30,712</b>	<b>32,006</b>	<b>32,714</b>	<b>33,284</b>	<b>33,030</b>
<i>Family Planning Direct Costs</i>	2,342	2,615	2,906	3,209	3,529	3,866	4,097
<i>Maternal Health Direct Costs</i>	6,114	7,868	9,488	11,376	13,462	15,746	18,002
<i>Programmes and Systems Related Costs</i>	14,999	16,954	18,319	17,422	15,723	13,672	10,931
<b>HIV/AIDS</b>	<b>23,975</b>	<b>32,450</b>	<b>33,107</b>	<b>33,951</b>	<b>34,734</b>	<b>35,444</b>	<b>36,189</b>
<b>Basic Research/Data/Policy Analysis</b>	<b>1,551</b>	<b>4,837</b>	<b>3,943</b>	<b>2,239</b>	<b>1,181</b>	<b>864</b>	<b>591</b>
<b>TOTAL</b>	<b>48,980</b>	<b>64,724</b>	<b>67,762</b>	<b>68,196</b>	<b>68,629</b>	<b>69,593</b>	<b>69,810</b>

Source : United Nations (2009), Report of the Secretary-General on *The Flow of Financial Resources for the implementation of the Programme of Action of the International Conference on Population and Development*, E/CN.9/2009/5. UNFPA (forthcoming), *Revised Cost Estimates for the Implementation of the Programme of Action of the International Conference on Population and Development: A Methodological Report*.

## Global Progress Towards the ICPD Financial Commitments

By 2007, international population assistance increased to \$8.7 billion. This includes funding from developed countries, the United Nations system, foundations, NGOs, and development banks. Based on past trends, this number is projected to increase further in 2008 and 2009. However, given the current global financial crisis, it is uncertain whether this will indeed be the case.

The largest proportion of total population assistance goes to fund HIV/AIDS activities. In fact, funding for family planning services has decreased in absolute dollar amounts since 1995 when UNFPA first began monitoring resource flows by the four ICPD costed population categories.

The Resource Flows Project estimates that developing countries and countries in transition mobilized \$18.5 billion for population activities in 2007. Domestic resources include government, national NGO and private out-of-pocket expenditures.

The global figure of domestic expenditures reflects the commitment of developing countries, regardless of the amount mobilized, although it contains significant variations among countries in their ability to mobilize resources for population activities. Most domestic resources originate in a few large countries. Many countries, especially those in sub-Saharan Africa and the least developed countries, are not able to generate the necessary resources to finance their own population programmes. They rely to a large extent on donor assistance.

# Financial Resource Flows in Eastern Europe and Central Asia

## Resource Requirements for Population Activities in Eastern Europe and Central Asia

Table 2. Revised ICPD Cost Estimates for Eastern Europe and Central Asia, 2009-2015  
(Millions of US \$)

	2009	2010	2011	2012	2013	2014	2015
<b>Sexual/Reproductive Health/Family Planning</b>	<b>990</b>	<b>1,157</b>	<b>1,317</b>	<b>1,487</b>	<b>1,611</b>	<b>1,773</b>	<b>2,026</b>
<i>Family Planning Direct Costs</i>	106	121	136	152	169	186	191
<i>Maternal Health Direct Costs</i>	312	422	550	704	877	1,069	1,358
<i>Programmes and Systems Related Costs</i>	573	615	631	632	565	518	477
<b>HIV/AIDS</b>	<b>1,419</b>	<b>1,861</b>	<b>1,918</b>	<b>1,968</b>	<b>2,019</b>	<b>2,060</b>	<b>2,112</b>
<b>Basic Research/ Data/Policy Analysis</b>	<b>317</b>	<b>978</b>	<b>656</b>	<b>355</b>	<b>136</b>	<b>44</b>	<b>41</b>
<b>TOTAL</b>	<b>2,726</b>	<b>3,996</b>	<b>3,891</b>	<b>3,810</b>	<b>3,766</b>	<b>3,877</b>	<b>4,179</b>

Source : Compiled from data prepared for the Report of the Secretary-General on *The Flow of Financial Resources for the implementation of the Programme of Action of the International Conference on Population and Development*, United Nations (2009), E/CN.9/2009/5. UNFPA (forthcoming), *Revised Cost Estimates for the Implementation of the Programme of Action of the International Conference on Population and Development: A Methodological Report*.

### International Assistance for Population Activities in Eastern Europe and Central Asia

Countries in Eastern Europe and Central Asia received almost \$203 million in population assistance in 2007. (Table 3). All 20 countries benefited from international population assistance in 2007. The Russian Federation received the most assistance of any country in the region--\$49.5 million, followed by Ukraine--\$ 39.2 million and Turkey--\$29.9 million.

**Table 3. Population Assistance to Countries in Eastern Europe and Central Asia, 1997-2007**  
(Thousands of US \$)

Country	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Albania	1,426	2,515	3,342	1,363	1,928	3,806	8,261	7,130	5,361	4,055	4,062
Armenia	2,040	3,164	520	1,876	3,721	3,871	2,445	1,773	5,024	3,015	5,344
Azerbaijan	1,247	1,160	941	1,473	1,887	1,876	994	1,142	4,118	9,615	4,090
Belarus	25	125	15	19	148	224	144	601	3,861	3,830	3,898
Bosnia/Herzegovina	635	736	317	189	175	216	3,307	1,824	2,691	3,861	4,946
Bulgaria	362	361	275	74	155	302	1,646	910	378	3,887	3,355
Georgia	1,018	205	746	1,448	2,991	2,751	3,554	1,616	6,295	9,175	10,716
Kazakhstan	1,270	2,418	2,809	3,047	6,169	4,193	5,265	3,917	8,215	9,323	4,232
Kosovo							1,818	1,154	1,115	1,218	10
Kyrgyzstan	1,730	1,324	1,402	1,518	2,593	8,494	3,395	2,648	7,588	7,001	8,466
Macedonia						138	1,074	881	1,708	3,658	2,535
Moldova, Rep of	583	1,126	422	1,514	768	1,412	7,187	2,291	11,180	3,901	6,781
Romania	2,740	1,986	1,952	1,697	4,414	3,778	10,501	9,441	3,580	9,605	6,101
Russian Federation	6,783	2,927	10,025	6,618	12,226	13,896	16,969	10,237	10,715	46,660	49,460
Tajikistan	943	568	892	369	805	4,072	3,253	2,529	4,747	5,304	8,704
Turkey	6,725	8,235	6,480	3,523	2,650	2,605	1,008	1,592	9,814	33,902	29,925
Turkmenistan	1,012	730	719	684	1,027	843	1,322	1,197	735	622	156
Serbia										5,935	2,163
Ukraine	1,956	4,140	3,702	2,436	4,658	7,106	14,181	10,345	39,056	43,455	39,200
Uzbekistan	2,849	2,350	2,592	1,444	4,624	6,056	8,388	8,758	7,274	6,186	8,646
<b>TOTAL</b>	<b>33,344</b>	<b>34,069</b>	<b>37,151</b>	<b>29,291</b>	<b>50,938</b>	<b>65,639</b>	<b>94,712</b>	<b>69,986</b>	<b>133,455</b>	<b>214,209</b>	<b>202,790</b>

Source: UNFPA/NIDI Resource Flows database and *Financial Resource Flows for Population Activities*, selected years.

## Domestic Resources for Population Activities

Domestic financial resources for population activities originate from the following major sources: Governments, NGOs, the private sector and consumers. The number and complexity of sources make it much more difficult to monitor domestic resource flows than international assistance for population. Although it is possible to collect information from Governments and NGOs, it is more difficult to track this information from the private sector and individual consumers due to insufficient data. Table 4 provides estimates of domestic expenditures for population activities by governments, NGOs and consumers.

Table 4. Estimated Domestic Expenditures for Population Activities by Region and Source of Funds, 2007 (Thousands of US \$)

	Source of Funds				Percentage spent on STD/HIV/AIDS
	Government	NGO	Consumers*	Total	
Africa (sub-Saharan)	1,359,816	118,814	1,490,314	2,968,944	92%
Asia and the Pacific	3,169,144	135,987	7,872,153	11,177,284	22%
Latin America and the Caribbean	1,594,955	129,196	826,184	2,550,335	85%
Western Asia and North Africa	479,915	49,543	309,545	839,003	29%
Eastern and Southern Europe	598,943	14,373	308,456	921,772	75%
Total	7,202,773	447,913	10,806,651	18,457,338	45%

\*Consumer spending on population activities covers only out-of-pocket expenditures and is based on the average amount per region as 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: Erik Beekink and Annemarie Ernten, *Projections of Funds for Population and AIDS Activities, 2007-2009*, The Hague, 2008. See also Marieke van der Pers and Erik Beekink, *Projections of Funds for Population and AIDS Activities, 2006-2008*, The Hague, 2007; Hendrik van Dalen and Daniel Reijer, *Projections of Funds for Population and AIDS Activities, 2005-2007*, The Hague, 2006; Hendrik van Dalen and Mieke Reuser, *Projections of Funds for Population and AIDS Activities, 2004-2006*, The Hague, 2005; and Hendrik van Dalen and Mieke Reuser, *Assessing Size and Structure of Worldwide Funds for Population and AIDS Activities*, The Hague, 2004.

## The Way Forward

Fifteen years have passed since the ICPD financial targets were agreed upon. While funding has increased, the resources mobilized are inadequate to meet current needs and costs which have grown tremendously since the targets were agreed upon in 1994. The goals and objectives of the ICPD Programme of Action have not been fully implemented and although important progress has been made, the international community is not on track to fulfill all the commitments towards the Millennium Development Goals.

Both international and domestic allocation of resources to population activities must increase from present levels in line with the revised cost estimates for each of the four programme components to meet current needs. It is important that, given the current global financial crisis, sufficient resources are mobilized by both donors and developing countries to fully implement the ICPD agenda and the goals of the Millennium Declaration.



For more information, please visit the Resource Flows Web Site at: [www.resourceflows.org](http://www.resourceflows.org)