

Key Messages of PER HIV/AIDS 2005 update

- Recent statistics estimate that 7 % of the adult population is infected by HIV, a rather lower figure than earlier official estimates. An estimated 1.1 million people were HIV-infected in 2004, who are very unevenly distributed among age groups and regions. Particularly encouraging is that recent HIV infections are supposed to having decreased.
- Nonetheless, there is no room for complacency. Even if prevalence begins to decline, the burden of AIDS morbidity and mortality is likely to double over the next decade, because of the long incubation period. HIV must stay at the top of the policy agenda.
- Total planned expenditure on HIV/AIDS for FY2004/5 has reached T.Shs 80.7 billion. This includes 12.6 billion aid to NGOs. Taking the government portion alone (domestic and aid-financed), the total has risen by 64% over the previous year to 68.1 billion due to increased aid. Domestic financing for HIV has remained flat, at 14.6 billion after having doubled the year before. Domestic financing should increase as well to reflect the commitment of the government to address the challenges of HIV.
- This “narrow” definition of HIV expenditure is certainly an under-estimate. Direct and indirect expenditures in the health sector, mostly represented by hospital care for HIV patients, would increase the total by at least 65 billion.
- The new “Z” coding of HIV budget/expenditure should be retained and enhanced by the adaption of standard sub-codes to permit disaggregated analysis of HIV expenditure. Major elements of HIV prevention, including condom supply and promotion, blood safety, and STI control should be Z-coded in future to more fully reflect HIV-related spending.
- A considerable improvement has been made also in capturing aid resources for HIV in the budget. A more determined effort should be made to reconcile the External Aid Database numbers.
- About 15% of all HIV spending is through NGOs, funded mainly by direct project grants. Given the significant contribution of NGOs and FBOs in prevention, care, treatment and advocacy, this share should increase and be channelled increasingly through the Rapid Funding Envelope -, it now stands at a fifth of total NGO spending. The Community AIDS Response Fund (CARF) is in its infancy but is expected to grow rapidly.
- In spite of the centrality of local government in the National Multi-sectoral Strategic Framework, the vast majority of government expenditure on HIV is incurred by central ministries. The 10% or so spent by local government is almost entirely aid-funded. Given recent capacity developments at the local level, a sharp increase in funding for the local government level is desirable, while ensuring that there is permanent NGO representation in CMACs, including PLHAs.
- Among central government votes, Health (36%), TACAIDS (55%) and Education (5%) make up the vast majority of budgeted funds (domestic and aid combined). Higher levels of expenditure should be expected in selected MDAs with a prominent role in executing the National Multisectoral Strategic Framework, in particular for:
 - Vote 46 (Ministry of Education and Culture)
 - Vote 69 (Science Technology and Higher Education)

- Vote 28 (Police Force)
 - Vote 29 (Prisons Service)
 - Vote 38 (Defense)
 - Vote 32 (President's Office – Public Service Management)
- TACAIDS should focus its facilitation efforts on finalisation of sector HIV plans in selected sectors and ensure that these are embedded in MTEFs.
- HIV/AIDS workplace programming in government needs to be tackled as a coherent, multi-sectoral effort in partnership with the POPSM.
- To assist MOF in quality assurance of budget bids, TACAIDS should have a formal role in the budget review process for HIV aspects of MDAs' MTEFs.
- There is a sharp increase in funds allocated for Care and Treatment (up from close to zero two years ago) which looks set to continue as PEPFAR, Global Fund and other donor resources come on stream.
- Care and treatment should not crowd out Prevention - either by displacing funding, or by shifting policy attention. Social and economic support to people affected by AIDS (PLWHA, their carers and families, orphans) might absorb very significant levels of resources once policies and modalities have been determined.
- Budget execution rates for domestic HIV funds are good. Disbursement rates for projects are undoubtedly much lower, although comprehensive data on aid actuals are not available.
- Three donors presently account for between two thirds and three quarters of total aid for HIV. This leaves Tanzania with a high level of dependency and uncertainty. New aid resources will come on stream next year, bringing about a rapid increase in aid for HIV. In theory, it could rise to as much as T.Shs 190 billion. Discounting by 40% for delays and under-disbursement suggests a more realistic estimate of 100 billion. Most of this increase is for care and treatment.
- A preliminary estimate of “full funding” requirements presented here suggests an annual requirement in the region of \$160 million. The prospective resource gap therefore stands at about \$50 million. These estimates are highly sensitive to assumptions on the actual costs of scaling up ART, and on the level of aid that actually materialises.
- The absence of suitable modalities for channelling aid resources is hindering their effective utilization. The vast majority of donor funding is projectised, and very little flows through the Exchequer System. There is a strong case for devising streamlined, multi-donor funding mechanisms for HIV-AIDS that will channel more resources through the Exchequer system. A decision will need to be reached by MOF, TACAIDS and other stakeholders on the preferred option, which ensures full consultation with all concerned, including NGOs, FBOs and PLHAs organisations.