



NATIONAL AIDS SPENDING ASSESSMENT (NASA I) IN PAPUA NEW GUINEA, 2009-2010

METHODOLOGICAL FRAMEWORK,
ASSUMPTIONS AND RESULTS

THE FIRST DRAFT WAS DEVELOPED BY
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NATIONAL AIDS SPENDING ASSESSMENT

NASA CONCEPT

APPROACH

The National HIV and AIDS Spending Assessment (NASA) approach to resource tracking is a systematic methodology used to determine the flow of resources intended to combat HIV and AIDS. The tool tracks actual expenditure (public, private and international) both in health and non-health sectors that comprises the National Response to HIV and AIDS. It represents HIV Response in the monetary values.

NASA uses both top-down and bottom-up techniques for obtaining and consolidating information. The top-down approach tracks sources of funds from donor reports, commitment reports, government budgets whilst the bottom-up tracks expenditures from service providers' expenditure records, facility level records and governmental department expenditure accounts.

NASA uses a set of classifications to identify each actor (the organization) of the HIV response according to its place in the resource flow: Financing Source, Financing Agent and Provider of Services. The description of different interventions is given in the classification of the AIDS Spending Categories. The classification of the Beneficiary Populations describes groups, which are explicitly targeted and intended to benefit from certain activities. In NASA classifications transaction are allocated to exactly one category without duplication or omission, which make them mutually exclusive and exhaustive.

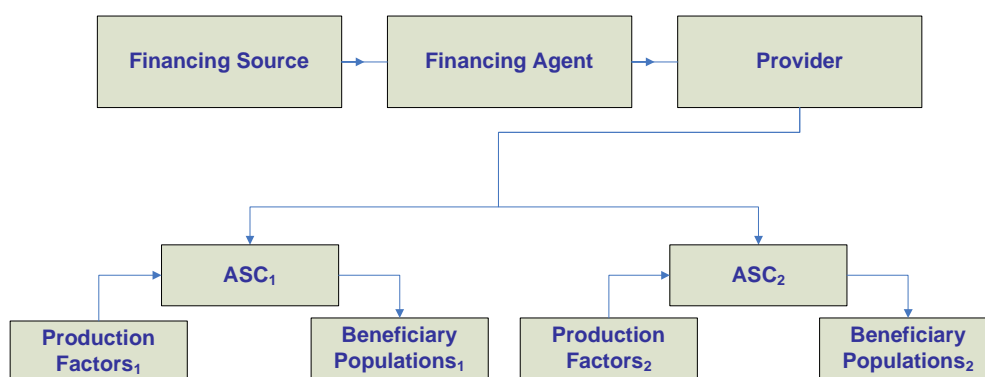


Figure 1: Financial flow scheme

As part of its methodology, NASA employs double entry tables or matrices to represent the origin and destination of resources, avoiding double-accounting the expenditures by reconstructing the resources flows for every transaction from funding source to service

provider and beneficiary population, rather than just adding up the expenditures of every agent that commits resources to HIV and AIDS activities (see Figure 1).

NASA was recommended as a methodology to report to Global AIDS Report on the Indicator No 6.1 on in-country spending on the whole set of activities within the response to HIV and AIDS from different sources.

NATIONAL AIDS SPENDING ASSESSMENT

NASA CONCEPT

NASA CLASSIFICATIONS

NASA classification follows internationally agreed sectoring, financing, and production concepts and nomenclatures primarily following the System of National Health Account. Financial flows and expenditures related to the National Response to HIV are organized according to three dimensions: finance, provision, and consumption. The classification of the three dimensions and six categories comprise the framework of the NASA system (UNAIDS 2009). These dimensions incorporate six categories¹:

Dimension 1: Financing	1. Financing Agents (FA) are entities that pool financial resources to finance service provision (purchaser-agent) and also make programmatic decisions on the type of the provided activities and the exact service provider involved in the actual service delivery
	2. Financing Sources (FS) are entities that allocate funding to HIV in general and provide money to financing agents
Dimension 2: Provision of HIV services	3. Providers (PS) are entities that engage in the production, provision, and delivery of HIV services
	4. Production factors/resource costs (PF) are inputs (labour, capital, natural resources, “know how”, and entrepreneurial resources) – <i>was not tracked in NASA I in PNG</i>
Dimension 3: Use	5. AIDS spending categories (ASC) are HIV-related interventions and activities
	6. Beneficiary segments of the population (BP), e.g., men who have sex with men, injecting

¹ For more detail please refer to UNAIDS (2009), National AIDS Spending Assessment (NASA) Classification and Definition.

	drug users, etc.
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Financing Sources were identified based on the data collection forms or primary data which contained enough details to assign a specific code to the organization. According to the Mapping of Actors of HIV Response in Papua New Guinea (see Annex 2), most of the financing flows were passing through two or three intermediary partners before reaching a specific Provider of Services.

The same organization or institution can hold both roles in the financial transaction, acting as a Financing Source and/or a Financing Agent and/or a Provider of Services.

There are certain organizations whose role is not adequately reflected in the NASA classifications. These entities were coded under .99 category in the respective classification. However, to keep track of the exact Agents and Providers coded under .99, NASA team mentioned the name or the type of it in the text box near the numeric code.

AIDS Spending Categories were identified based on the data collected in forms, narrative reports or action plans received from the organizations that contained information about the scope of the activities supported or implemented by the organization during the years of assessment.

At the NASA planning stage it was decided to skip the data collection on the Production Factors. Such analysis requires more time and more human resources involved in the data collection and processing. This analysis is recommended for the next rounds of NASA.

NATIONAL AIDS SPENDING ASSESSMENT

NASA TOOLS

DATA COLLECTION FORM

The data collection form used for NASA III was adapted from the standard form which has been developed by UNAIDS for use in different countries. The form and the instruction was presented on the NASA Launch meeting and disseminated by email among partners.

In the form, respondents were asked to provide information regarding their: financing sources, name of projects, project activities with a brief description, intended beneficiaries, and amounts spent by themselves and/or transferred to other organizations. The data collection form also had a section where the respondents could identify in-kind contributions such as condoms and drugs.

The data collection started in the first week of February 2012 and continued until 8th of March 2012. A series of data collection interviews were conducted with representatives of some of the organizations. A number of organizations opted for submitting their financial reports, instead of completing the data collection form.

Where the NASA team identified inconsistencies in the data submitted, it sought clarifications from the concerned organizations.

The results of NASA I are based on the actual spending data from key players in the national response to HIV in Papua New Guinea; as well as, through meetings, and review of background information, understand informants' mandates, interests and interventions.

DATA PROCESSING FILE

Once the data was received by the NASA Team, it was checked and then processed through the Data Processing File.

Each expenditure item mentioned in the data collection form or financial report was assigned a NASA classification code to identify a specific financing source, financing agent, service provider, the AIDS spending category, and the beneficiary population.

After checking and coding the data, the transactions were reconstructed in pivot tables. Similar resource flows were highlighted and noted to be excluded from the data set to avoid double counting. The data was then transferred into individual Data Processing Files and

then transferred into one dataset in Microsoft Excel.

NATIONAL AIDS SPENDING ASSESSMENT

NASA I: ASSUMPTIONS AND ESTIMATION STRATEGY

ASSUMPTIONS AND ESTIMATION STRATEGY

The first NASA exercise in Papua New Guinea captures 2009 and 2010 calendar years. NASA team consisted of one international consultant, one NACS staff and one national part-time consultant. The assessment was overseen and supported by NACS staff and UNAIDS Country Office. The timeline of the NASA I exercise is presented in the Annex 1.

Thirty one organization (including governmental entities, bilateral and multilateral partners, national and international NGOs) has submitted the data for the assessment. These are: ADB (Enclaves Project), Anglicare, AusAid (for all AusAid supported programs), Business Against HIV and AIDS (BAHA), Baptist Union, Burnet Institute, Catholic AIDS Office, Care International, Provincial AIDS Commission Secretariat – Central Province, Provincial AIDS Commission Secretariat – Central Province, Provincial AIDS Commission Secretariat – Bougainville, Provincial AIDS Commission Secretariat – Capital District, Clinton Health Access Initiative (CHAI), National Department of Education (NDoE), Family Health International 360 (FHI360), National Department of Health (NDoH), International Education Agency (IEA), Maristopes, National AIDS Commission Secretariat (NACS), Population Services International (PSI), Salvation Army, Susu mamas, Tingim Laip project, Technical Support Facility South East Asia and Pacific (TSF SEAP), UNAIDS, UNDP, UNICEF, UN Women, WHO, VSO and World Vision International.

All spending is presented in PNG Kina. When the data was reported in the different currency it was converted in Kina using the annual average exchange rate of the respective organization which reported the spending.

All transactions were reconstructed based on the reported spending, although in the assessment results NASA team has only used the figures reported by the organization, which is the closest to the service provision. Nearly 70% of all data represents actual spending, 30% of data was reported as disbursements.

The spending on salaries was assigned to a specific function of the employee, e.g. salary of the M&E officer went to the Monitoring and Evaluation category, salary of the VCT counselor – to the VCT category etc. If the salary data was reported in bulk, this figure was weighted and distributed across all activities implemented by the organization.

All expenditures assigned to Training represent pre-service training for professionals. Training for peer educators, HIV training for community leaders is included in the Behavioral Change Communication or Community mobilization. Training for people living with HIV or/and their family members on the home-based care is included in the Home-

based care. Training for school teachers is a part of Youth in School prevention. Training for the finance officers and administrative staff is a part of the AIDS-specific institutional development inside a broader AIDS Spending Category – Enabling Environment.

Non-targeted interventions as Beneficiary Populations represent expenditures which do not belong to explicitly selected or targeted populations. In NASA all the expenditures tracked under Programme management and administration, Training, Research and some spending in the Enabling Environment is considered as Non-targeted.

Spending analysis within the Global Fund Round 4 HIV grant is based mainly on the reports provided by the Principal Recipient – National Department of Health. However, more details were available in the reports of sub-recipients in the year 2010. When the organization provided actual spending of the Global Fund Round 4 funds, it was processed as a primary source of data. More aggregated analysis was done for 2009. Only two figures were available: total spending by the PR and total spending by all sub-recipients. In order to break it down to a more specific intervention the initial budget was used as a distribution key for the totals spent. In the 2009 final tables, all sub-recipients were coded as PS.99 Providers not elsewhere classified because it was not clear who was the final implementer of the services listed in the workplan and budget.

Spending on antiretroviral drugs, condoms, tests for VCT and PICT, STI drugs was calculated based on procurements, not actual consumption due to the lack of consumption data in the country.

NATIONAL AIDS SPENDING ASSESSMENT

OVERVIEW OF THE RESULTS

The following section presents the findings of the assessment and includes an analysis of spending on HIV and AIDS in the two – 2009 and 2010 – calendar years. An overview of findings is provided to address the main questions NASA I was expected to answer. Thereafter, different dimensions and aspects of financial flows are presented in more detail. The details on the specific disaggregated results on the financing sources, financing agents, providers of services, AIDS spending categories and beneficiary populations are presented in tables and figures in the text, whilst additional tables can be found in the annex.

AIDS SPENDING – TOTALS AND PER CAPITA

Total spending on HIV and AIDS interventions in Papua New Guinea has increased during the years of assessment – from over 131 million Kina in 2009 to over 135 million Kina in 2010.

	2009	2010
Total spending (million Kina)	131.4	135.2
Total spending per capita (Kina)	20	20
Total spending per PLHIV (Kina)	4,336	4,300
Care and Treatment spending per PLHIV (Kina)	324	479
Total estimated number of PLHIV	30,241	31,421

Figure 1: HIV spending in 2009 and 2010 – totals and per capita

PNG spends 20 Kina per capita (approx.. 7.7 US\$), each year to implement its HIV response. HIV spending per person living with HIV in Papua New Guinea was 4,336 Kina in 2009 and 4,300 Kina in 2010.

Care and treatment spending per person living with HIV has increased in 2010 comparing to the 2009 value: from 324 Kina to 479 Kina.

In comparison with other countries, PNG spending is relatively high, both in total and in the per capita terms². For example, Cambodia spent 4.3 US\$ per capita in 2010, with the

² Source: AIDS Info database

prevalence of 0,8% among 15-49 year-olds (this figure is 0,92% in PNG) and having 42,800 patients undergoing ARV therapy, while in 2010 in PNG this number was 8,522 patients.

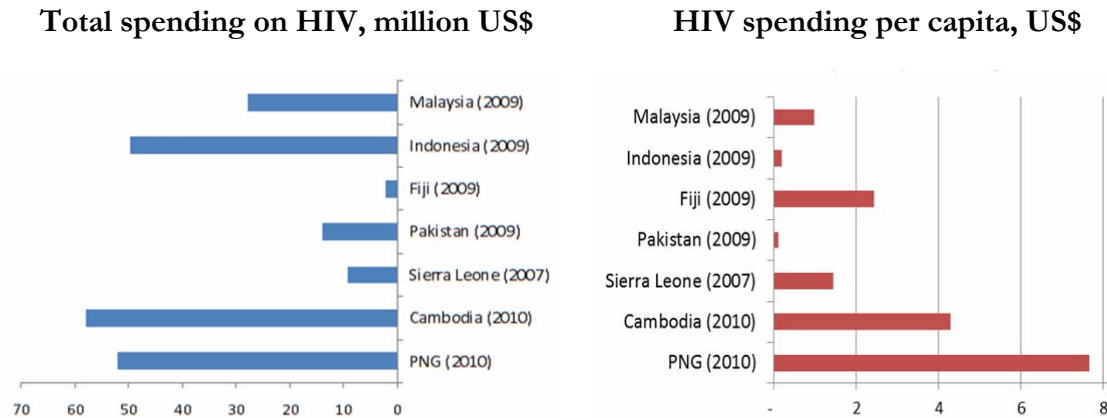


Figure 2: HIV spending by different types of Financing Sources, 2009-2010

Papua New Guinea spends as much as Indonesia and about as much as Cambodia, however in the per capita terms it spends much more because the size of the population (denominator) is less than in the other countries. This shows that PNG implements its HIV Response at a very high cost with much less outputs (e.g. number of people on ART or number of VCT per year).

NATIONAL AIDS SPENDING ASSESSMENT

OVERVIEW OF THE RESULTS

FINANCING SOURCES

There are three main types of the financing sources: public, international and private. As presented in the Figure 3 below, the HIV response in Papua New Guinea heavily relies on the external funding: over 70% of the total HIV expenditure during 2009 and 2010. Public funding increased 6 million Kina - from 25,7 million in 2009 to 31,9 million in 2010 (from 20% of total HIV pending in 2009 to 24% in 2010).

FINANCING SOURCES	2009		2010	
	Million Kina	% of Total	Million Kina	% of Total
Public	25,7	20%	31,9	24%
International	92,4	80%	102,5	76%
Private	0,9	<1%	0,8	<1%
Total	131,4 million Kina		135,2 million Kina	

Figure 3: HIV spending by different types of Financing Sources, 2009-2010

More details on the Financing Sources are presented in the Annex 3 and 4 in the National Funding Matrices for each year.

Government of Australia is the single largest source of the HIV response in PNG, representing 69% of the international funds and 53% of the overall HIV response. Australian bilateral contribution lost over 4 million Kina from 2009 to 2010.

Most of HIV-related funds of the Australian Government are being channeled through the AusAid's PNG Australia HIV and AIDS Program as a part of their effort to support PNG to implement priorities under the National HIV Strategic Plan 2006-10 and the following National HIV and AIDS Strategy 2011-2015. The Program works in partnership with Government, however the primary focus for direct support has been through financial and technical support for civil society partners, who deliver the majority of PNG's HIV services. AusAid also disburses HIV-related funds through the other programs such as Education, Law and Justice etc. These expenditures were also captured in NASA.

The share financed by the Global Fund comprises 9% of the total country's spending, followed by UN agencies which provide 5% of the response.

Asian Development Bank (ADB) provides over 5% of the total HIV spending through its Economic Enclaves project, implemented in the close collaboration with National Department of Health.

World Vision International has contributed over 1.2 million Kina over two years of the assessment, which was one of the largest contributions among international non-governmental organizations.

Public funds, the Government of Papua New Guinea in particular, is the second largest financing source of the HIV response – 22% of all HIV-related interventions in the country are being financed with the resources coming from the central revenue (99,5% of public funds) or the provincial budgets.

Private spending represents less than 1% of the HIV response, however private companies may implement their own HIV prevention activities (e.g. prevention in the workplace) which were not tracked in this NASA due to the time constraints. NASA team has captured only that spending which was channeled through government departments, international organizations or national NGOs.

NATIONAL AIDS SPENDING ASSESSMENT

OVERVIEW OF THE RESULTS

AIDS SPENDING CATEGORIES AND BENEFICIARY POPULATIONS

There are eight main programmatic areas in NASA (see Figure 4):

1. Prevention
2. Treatment and Care
3. Orphans and Vulnerable Children
4. Programme Management and Administration Strengthening
5. Human resources (in this assessment it includes only Training)
6. Social Protection, Social Services (in this assessment includes only Income Generation (IG) activities)
7. Enabling Environment, and
8. HIV-related Research

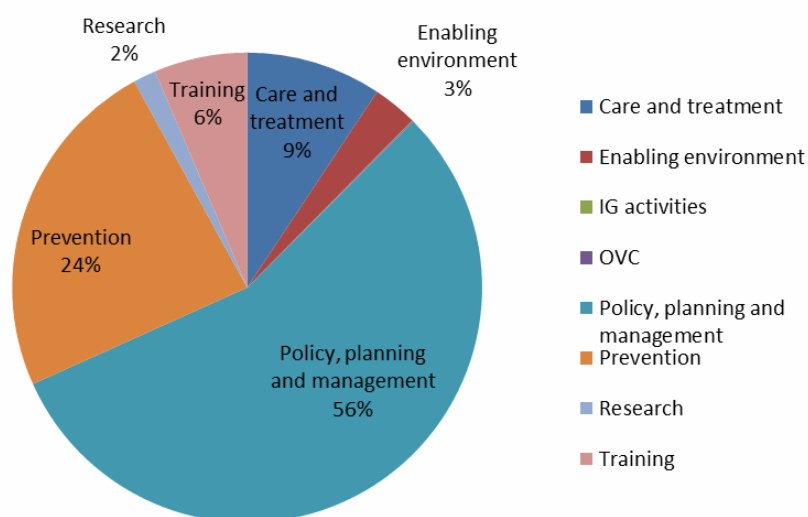


Figure 4: HIV spending by different AIDS Spending Categories, 2009-2010

Among these programmatic areas of the HIV response, over a half of the funds (56% in 2009 and 2010) goes to the Programme Management and Administration Strengthening. This category includes such activities as policy development, grant management, development of the national strategies, monitoring and evaluation etc.

In this category (see Figure 5), 48% goes to Planning, coordination and programme management, followed by 12% of Administration and Transaction cost associated with managing and disbursing funds which includes overheads of the in-country offices, bank fees and cost of financial audit. M&E and serosurveillance take 4% and 2% respectively. If we combine these figures with the expenditure on the various research activities (2% of the overall HIV response) the total M&E and strategic information-related spending will amount to 8% of the HIV response in PNG in 2009 and 2010. However, the spending in the absolute terms has dropped from 6,6 million Kina in 2009 to 5,9 million Kina in 2010.

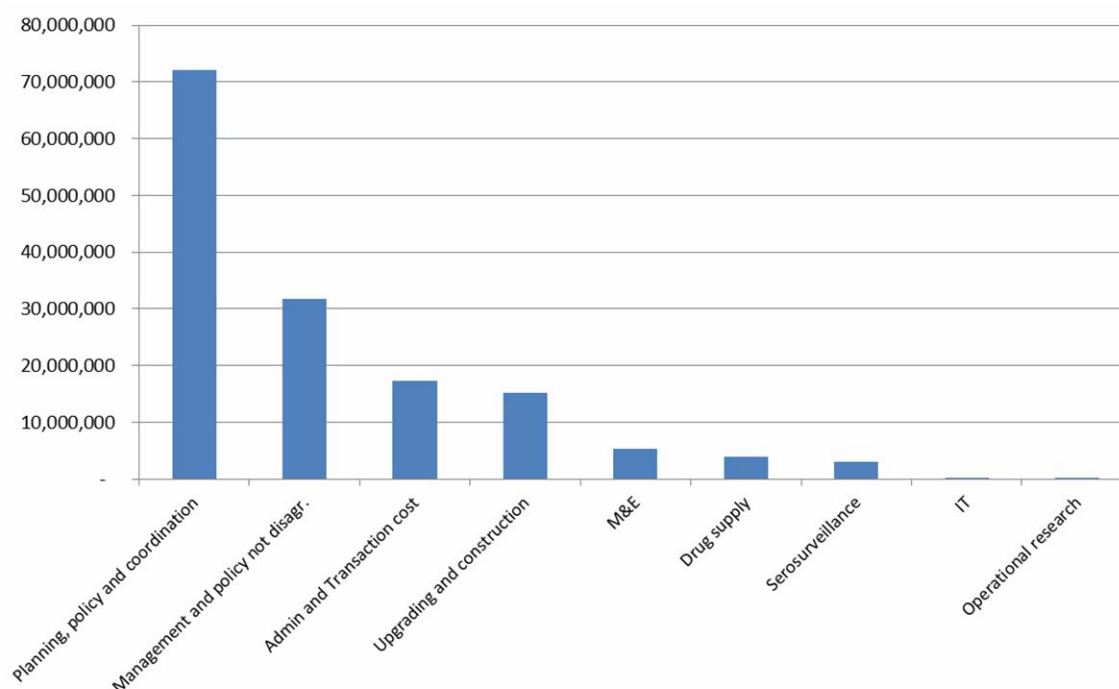


Figure 5: Detailed activities as part of ASC.04 Programme management and Administration Strengthening, 2009-2010

Twenty one percent of the spending on the Programme Management and Administration Strengthening is not broken down by type. This means that some detailed categories (e.g. Monitoring and Evaluation) may have had more spending than it was identified.

The next most funded programmatic areas are: Prevention – 24% and Care and Treatment – 9% of the total HIV spending.

Antiretroviral therapy comprises a 36% of the Treatment and Care spending. Seventeen percent of the Treatment and Care spending falls under Home-based care interventions. Only 2% of the spending on Treatment and Care goes to monitoring of ART, although, more capital investments to

CD4-related laboratory infrastructure, are captured in the Upgrading of the laboratory infrastructure and construction (10% of the Policy, Planning and Management category, or 6% of the total HIV spending in 2009 and 2010). Spending on the treatment and prophylaxis of the opportunistic infections has slightly increased from 481 thousand Kina in 2009 to 612 thousand Kina in 2010, taking 5% of the Treatment and Care spending in those years.

In Prevention which amounts to 63.3 million Kina in 2009 and 2010, 21% of the respective funds go to behavioral change communication among general population, 16% - to condom distribution and condom social marketing. This last category includes condom distribution and condom promotion as well as the cost of condoms procured. There was no data available about the numbers of actually distributed or/and sold condoms (which ideally should reflect the actual spending on this intervention), that is why the spending on the bulk procurement of condoms was used in the assessment. The cost of the condom procurement was assigned to General population.

Only 6% or 3.74 million Kina of the HIV Prevention spending in 2009 and 2010 (or 1.4% of the total HIV spending – see Figure 6) targeted most-at-risk populations: sex workers and their clients and men who have sex with men, while 75% of the Prevention funds were intended to reach general population. Prevention of parent-to-child transmission takes 5% of Prevention, as well as workplace interventions. Another 7% was spent on the implementation of the activities targeting School and University students.

Twenty five percent of Care and Treatment spending is not broken down by intervention, as well as 28% of the Prevention spending.

Orphans and Vulnerable Children (OVC) and Income generation (IG) activities get less than 1% of the funds. Training represents 6% of the HIV response, Enabling Environment – 3%, which contains spending on Advocacy, Human rights, increasing spending on AIDS-specific institutional development, Programmes focused on women and gender-based violence.

Most of the spending of the HIV response in Papua New Guinea is non-targeted (see Figure 4) as it is spent on the policy development, infrastructural upgrade, capacity building of the service providers etc. – interventions which potentially strengthen the HIV response implementation in general but do not directly target a specific beneficiary population.

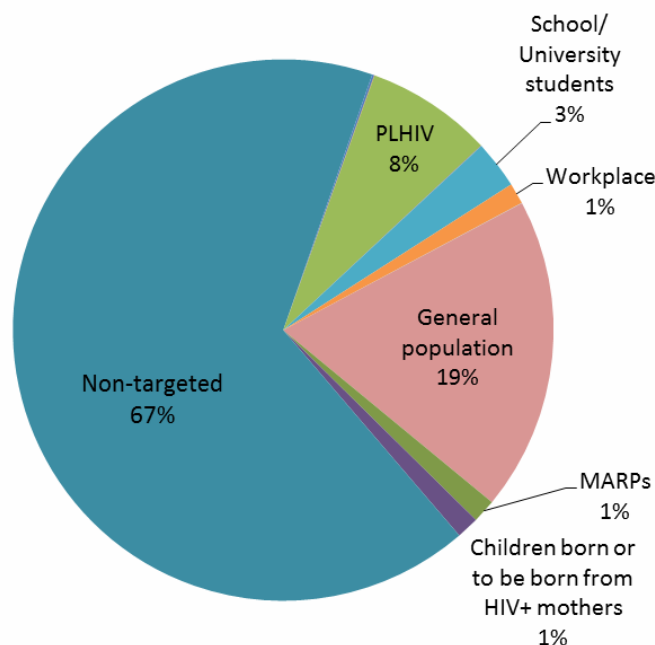


Figure 6: HIV spending by different Beneficiary Populations, 2009-2010

People living with HIV benefit from all Treatment and Care activities, their share is 8% in the HIV response in PNG.

In the actual service delivery most of funds (19% of the total HIV spending) were spent on the general population activities. These 19% include most of the Prevention share of the response.

All PMTCT activities (with the Beneficiary Population – Children born or to be born from HIV positive mothers) represent 1% of the HIV response.

As presented in the Figure 7, all the programmatic areas are mainly funded by international financing sources. Public funds are spent on the policy development and management of the HIV response – 70% of the respective category, the enabling environment – 57% of this category.

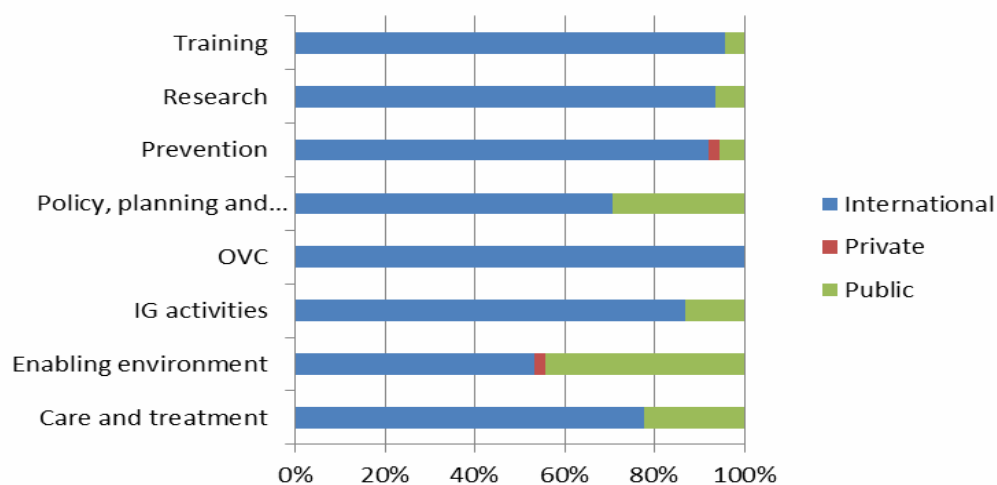


Figure 7: HIV spending by different AIDS Spending Categories, 2009-2010

Twelve percent of the care and treatment is being funded by the Government. Only small percent of Prevention spending originates in the public financing sources, which mainly relies on international sources of funding.

NATIONAL AIDS SPENDING ASSESSMENT

OVERVIEW OF THE RESULTS

FINANCING AGENTS AND PROVIDERS OF SERVICES

In total, twenty one organizations were identified as a Financing agent in 2009 and 2010. The largest financing agent is National AIDS Commission Secretariat (NACS). It manages funds from all types of financing sources: international, private and public (see Figure 8).

Financing Source	Financing Agents	% of Total HIV Spending (2009-2010)	Grand Total in Kina (2009-2010)	2009 (in Kina)	2010 (in Kina)
Government of Australia	AusAid	15%	40,354,731	20,192,205	20,162,526
	International NGOs	3%	8,109,379	5,357,318	2,752,061
	NACS	31%	81,899,710	40,188,284	41,711,427
	NDoH	0%	1,221,012	-	1,221,012
	NGOs/FBOs	1%	3,376,533	1,208,745	2,167,788
	Other National Departments	3%	7,479,767	6,375,355	1,104,413
International (excl. Government of Australia)	ADB	4%	10,801,039	5,607,953	5,193,086
	International NGOs	6%	16,793,097	7,693,615	9,099,482
	NACS	<1%	397,751	174,034	223,717
	NDoH	9%	25,081,301	12,492,872	12,588,429
	UN	4%	11,721,148	5,455,879	6,265,269
Private	International NGOs	<1%	37,950	-	37,950
	NACS	<1%	74,738	-	74,738
	NGOs/FBOs	1%	1,592,282	886,025	706,257
Public	ADB	1%	3,820,884	1,242,102	2,578,782
	NACS	20%	52,018,253	24,097,889	27,920,364
	NDoH	1%	1,457,817	149,777	1,308,040
	Other National Departments	<1%	94,259	47,130	47,130
	PACS	<1%	230,000	200,000	30,000
Grand Total		100%	266,561,652	131,369,182	135,192,471

Figure 8: Financing Sources vs Financing Agents, 2009 and 2010

The debate appeared around the question whether NACS, being a manager of a significant part of the central revenue, is also a Financing Agent for the HIV Program funds originated in the AusAID. According to the national legislation NACS is responsible for the overall implementation of the HIV Response and participates in the joint AusAID/NACS process (through the National HIV Strategy Steering Committee) to select civil society activities to be funded and their service providers. The PNG-Australia HIV/AIDS Program uses the joint GoPNG-AusAID planning

framework for the HIV response established under the first phase of the HIV/AIDS Program (Sanap Wantaim 2006-2012). A National HIV Strategy Steering Committee was appointed as a sub-committee of the National AIDS Council to coordinate the annual planning process for implementation of the National HIV Strategy.

However, during the NASA I draft results presentation NACS representatives argued that NACS is playing a managing role for AusAID sub-grants due to the following reasons: (a) Financial flows do not go through NACS accounts, and (b) AusAID itself selects and monitors the implementation of the funded activities.

Figure 8 represents the results which consider NACS as a Financing Agent of the part of the AusAID funds. If it is agreed that NACS is not a Financing Agent for this resource flow, it means that AusAID is the biggest manager of funds of the HIV response: it decides about 46% of all HIV-related spending in the country. In case if this role belongs to NACS, this will make this institution responsible for 52% of the HIV response implementation.

The following graph (Figure 9) represents share between key types of service providers.

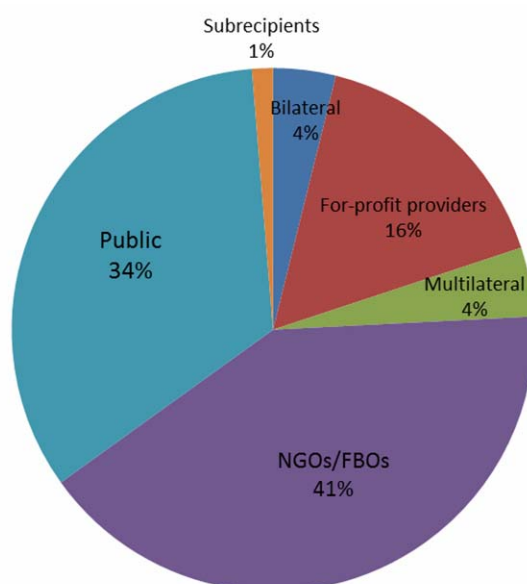


Figure 9: Main types of Providers of Services of HIV Response, 2009-2010

A majority of HIV Response in PNG is being implemented by civil society and faith-based organizations (over 40% of the HIV response – see Figure 9), whose participation increased in 2009-2010 (see Figure 10).

Sub-recipients of the Global Fund Round 4 in 2009 (which are likely to be non-governmental organizations) comprise 1% of the response. As stated in the assumptions, these part of service delivery was difficult to identify due to lack of the details.

NACS and PACS represent the next largest service providers (16% of the HIV response implementation), followed by NDOH (providing 8% of the overall HIV Response), consultancy

companies (9% of all HIV service provision) and for-profit providers, responsible for 7% of the response.

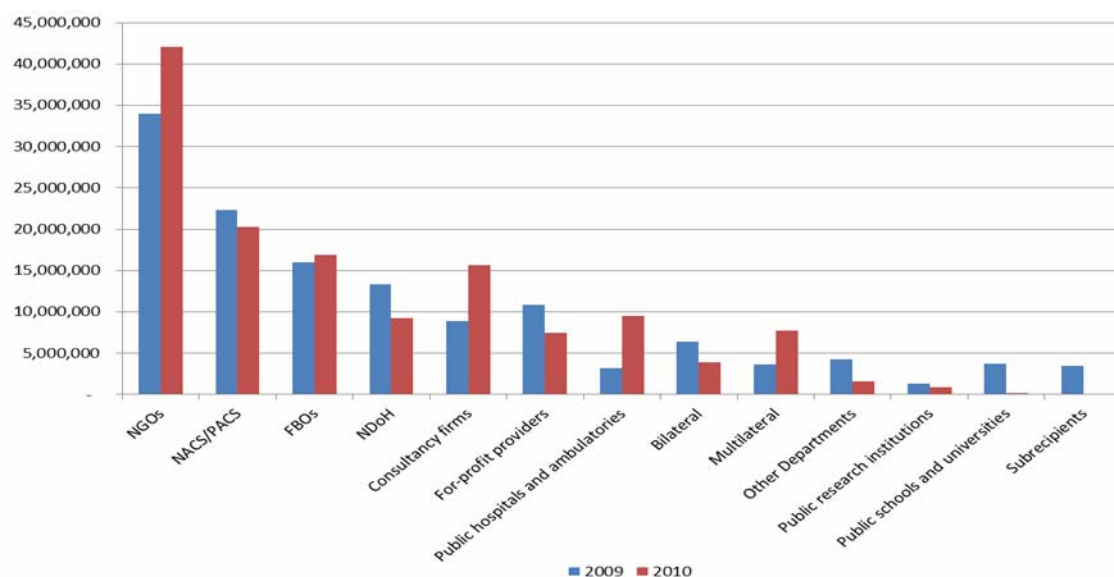


Figure 10: Providers of Services of HIV Response, 2009 and 2010

Figure 10 shows the share of each type of service providers in eight main AIDS Spending Categories (programmatic areas). NGOs and FBOs are very active in all actual service-provision areas: Prevention, Care and Treatment, Orphans and Vulnerable Children (OVC). Civil society organizations implement a significant part of Enabling Environment intervention and Research.

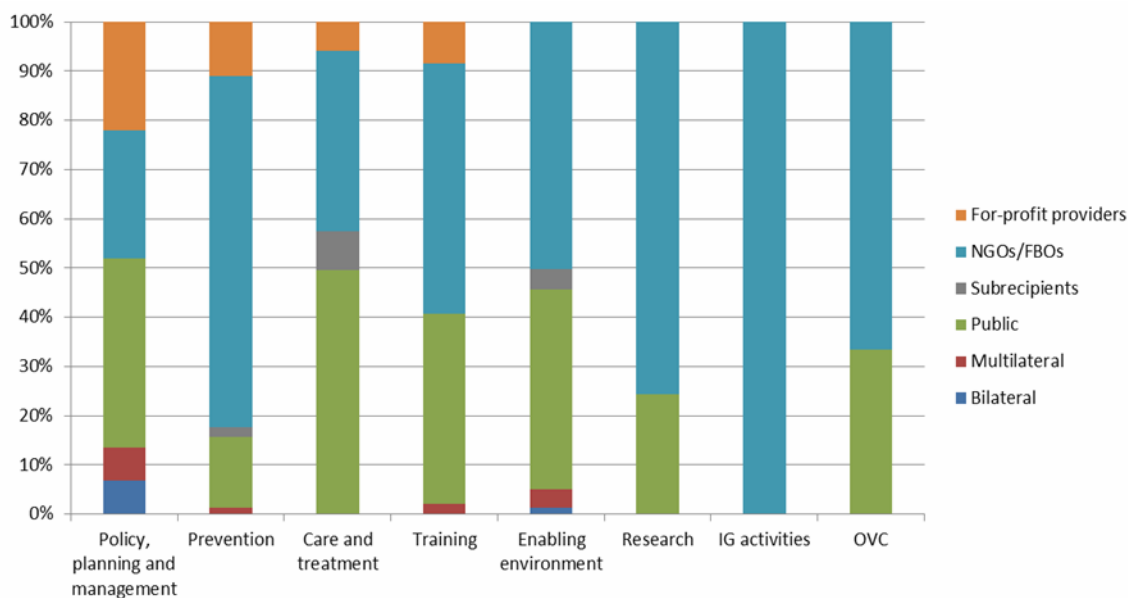


Figure 10: Providers of Services vs AIDS Spending Categories, 2009-2010

Nearly 40% of the largest category (Policy, planning and Management – equivalent to ASC.04 Programme Management and Administration Strengthening) is implemented by public service

providers.

NATIONAL AIDS SPENDING ASSESSMENT

OVERVIEW OF THE RESULTS

CONCLUSIONS

Papua New Guinea heavily relies on the external sources. More efforts should be made to ensure financial sustainability of the key prevention and treatment and care services which now mainly depend on the international donors. PNG Government has a good potential to mobilize more funds for the actual service delivery as it managed to increase its contribution from 2009 to 2010 both as an absolute amount and as a share of the total HIV spending.

PNG spends more funds on running the response rather than on the actual service delivery. This can be partially explained by the high cost of running business in PNG and a great involvement of the international technical assistance. However, the disbalance between service provision and management of the response should be properly addressed in the planning and monitoring of the National HIV Strategy. More funds should be allocated to prevention among at-risk populations and treatment, care and support services.

As the first National AIDS Spending Assessment exercise was done for the years 2009 and 2010, it still reflects the priorities of the previous National AIDS Plan which ended up in 2010 where priority for prevention interventions was given to general population. In the next NASA round we may expect more targeted interventions and beneficiaries following the implementation new National HIV Strategic Plan for 2011-2015.