



Check Against Delivery

Statement by

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on the

**Report of the Secretary-General on the Flow of Financial Resources for Assisting
in the Implementation of the Programme of Action of the International
Conference on Population and Development
(E/CN.9/2005/5)**

38th Session of the Commission on Population and Development

New York

4 April 2005

Mr. Chairman,

Distinguished Delegates,

I am pleased to introduce the Report of the Secretary-General on *The Flow of Financial Resources for Assisting in the Implementation of the Programme of Action of the International Conference on Population and Development* (E/CN.9/2005/5). The document responds to a request by the Commission on Population and Development (E/1995/27) for an annual report on financial flows to assist the implementation of the ICPD Programme of Action.

Mr. Chairman, the United Nations Population Fund (UNFPA) has been given the lead role in monitoring progress towards achieving ICPD goals in the area of resource mobilization. The Fund collects data and reports on international population assistance and domestic financial resource flows for population activities. UNFPA works in close collaboration with the Netherlands Interdisciplinary Demographic Institute (NIDI) and relies on the cooperation of donor countries and organizations as well as developing countries and UNFPA Country Offices to obtain data on funding levels. Since 1999, UNFPA has been collaborating with UNAIDS in the collection of data on resource flows to HIV/AIDS activities. We are very grateful for your continued cooperation in this endeavour.

As per the provision of the ICPD Programme of Action, the present report analyzes international and domestic financial resource flows for family planning services; basic reproductive health services; sexually transmitted diseases (STDs)/HIV/AIDS activities; and basic research, data and population and development policy analysis.

The ICPD Programme of Action estimated in 1994 that the cost of implementing the population and reproductive health package in developing countries and countries with economies in transition would be US \$18.5 billion annually by the year 2005. Approximately two thirds of the cost is expected to come from developing countries and one third, or \$6.1 billion, from the international donor community.

Mr. Chairman, as you know, we were all very concerned that the ICPD target of \$17 billion for 2000 had not been met. Both donors and developing countries fell short of the agreed targets. But it is heartening to note a beginning of a reverse trend in the direction of a concerted response to bridging the funding gap. In fact, both international donor assistance and domestic expenditures for population activities have slightly increased since 2000. By 2003, donor funding stood at \$4.2 billion and domestic resources were estimated at \$11 billion.

The increase in resources is an encouraging sign indeed and requires to be maintained and sustained. Our estimates for 2004 and projections for 2005 are encouraging. But before we get too complacent, let me point out that our work is far from completed. There are a number of important issues to consider:

- Increased population assistance originates with a few major donors and the majority of domestic resources are mobilized in a few large developing countries. Most developing countries are still not in a position to generate sufficient resources to fund their

population and AIDS programmes. They continue to rely significantly on donor assistance.

- The role played by out-of-pocket expenditures in mobilizing resources is much larger than usually assumed. In some cases, this exceeds government and NGO expenditures for population. This is extremely difficult to track and variations exist between regions and countries. But out-of-pocket spending has important implications for policy initiatives aimed at reducing poverty and income inequality in the developing world.
- There is a pronounced shift towards funding for STD/HIV/AIDS that might be at the expense of other population activities. Indeed, it is good to note that funding in this area has increased significantly since 1995. It is important to recommend that adequate resources be also made available for the other equally critical components of the ICPD population package, especially for family planning and reproductive health. If the trend towards decreased funding for family planning and reproductive health is not reversed, this could undermine efforts to prevent unintended pregnancies, reduce maternal and child mortality and affect the progress of the achievement of the Millennium Development Goals (MDGs).
- The ICPD financial targets were fixed over 10 years ago, with cost estimates based on experiences as of 1993. Since that time, the population and health situation in the world has changed dramatically, especially the HIV/AIDS pandemic. Health-care costs have skyrocketed. And the value of the dollar today is far lower than it was in 1993. The question is: whether the ICPD target of \$18.5 billion in 2005 will be sufficient to meet developing countries' growing needs. We know that the increases in funding are still not adequately addressing the growing AIDS crisis. And we need additional resources for family planning and reproductive health services.

Mr. Chairman, as of 2003, we are still below the agreed targets. And, of course, 2004 and 2005 figures very much depend on whether donors live up to their promises and whether developing country governments follow the expected patterns of spending given past reported expenditures and levels of national income and whether they, too, live up to their commitments.

The message is clear: the international community must sustain and increase funding efforts and remain on track to reach the target for 2005. Although not explicitly mentioned in the Millennium Declaration, population and reproductive health are central to development and the achievement of the MDGs. They must figure prominently in development programmes and poverty reduction strategies and in donor and national budgets. Without a firm commitment and adequate resources to implement population and reproductive health programmes, it is unlikely that the goals of the Cairo Conference and the Millennium Summit will be effectively met.

Thank you.