



Poor relations?

PRSPs and the response to HIV/AIDS and children



National governments and local communities must have the capacity and resources to respond to HIV/AIDS. Better use of existing resources is needed to ensure this. Poverty and HIV/AIDS are inextricably linked. The UK government has announced it is putting HIV/AIDS and Africa at the top of its international agenda. However, currently the relationship between DFID's favoured means of providing aid – the Poverty Reduction Strategy process – and the need to maximise the impact of responses to HIV/AIDS is poor.

Introduction

HIV/AIDS as Tearfund's priority

Tearfund is a Christian relief and development agency working through local partners to bring help and hope to communities in need around the world. Tearfund currently works with more than 450 partner organisations in about 70 countries. Tearfund has identified HIV/AIDS as its highest priority. More than 120 of Tearfund's partner organisations currently focus on responding to HIV/AIDS.

Tearfund believes that coordinated local initiatives are a key response to HIV/AIDS. Significantly improving responses to HIV/AIDS is possible through increased support and resources for national governments and local community groups in the South.

Tearfund is very encouraged that the UK government is putting HIV/AIDS at the top of its international agenda – as announced in the UK's Call to Action on HIV/AIDS. As the UK government sets out priorities for its presidency of the G8 and EU in 2005, Tearfund welcomes the emphasis both on HIV/AIDS and on Africa.

This briefing paper:

- summarises the relationship between poverty and HIV/AIDS
- highlights some of the key features of Poverty Reduction Strategy Papers (PRSPs)
- analyses the vision and reality of PRSPs in responding to HIV/AIDS
- considers the future of PRSPs in increasing responses to HIV/AIDS
- makes recommendations for action for DFID and other donors to ensure that support for national PRSPs maximises the impact of resources in responding to HIV/AIDS which is a key driver in increasing poverty and reversing development gains.

Poverty and HIV/AIDS

With about 95 per cent of people affected by HIV/AIDS living in countries in the South, poverty and HIV/AIDS are inextricably linked. Figure 1 below¹ represents a simplified view of the relationship between poverty and HIV/AIDS. Poverty makes poor people more vulnerable to HIV infection through the combined effect of poverty and income inequalities on social transactions – including sex, patterns of vulnerability and patterns of risky behaviour in relation to HIV infection and AIDS. In addition, HIV/AIDS deepens poverty and so makes poor people poorer. In this discussion poverty

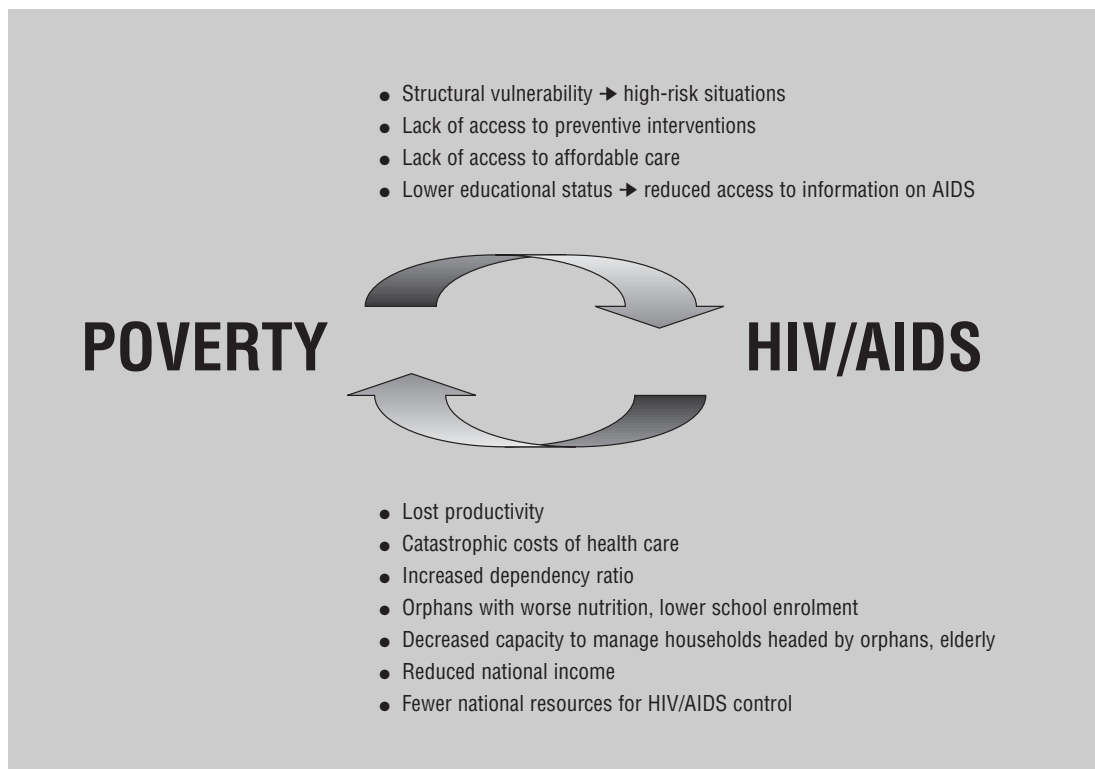


Figure 1

Relationship between poverty and HIV/AIDS: a simplified view

From UNAIDS and the World Bank (2001) *AIDS, Poverty Reduction and Debt Relief: A Toolkit for Mainstreaming HIV/AIDS into Development Instruments*

covers not only low income and low consumption but also low achievement in education, health, nutrition and overall human development. It includes powerlessness and vulnerability.

The impact of HIV/AIDS

Devastating for all affected, particularly children

Recent studies² indicate that:

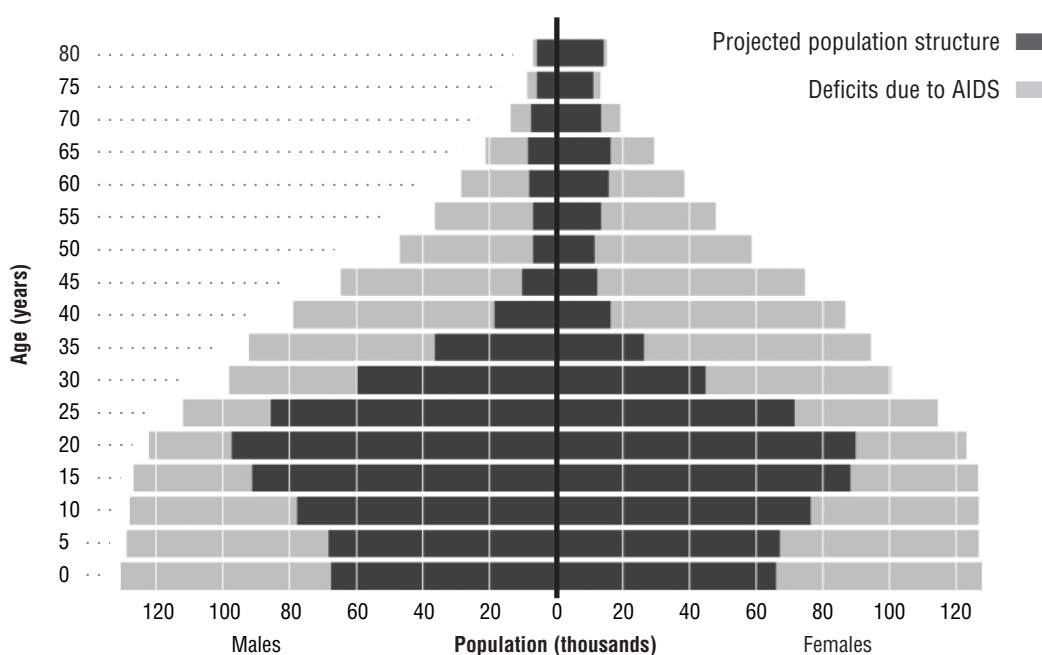
- An estimated 42 million people are currently living with HIV/AIDS worldwide. There were more than 5 million new infections in 2003.
- Almost 12 million people aged 15–24 are living with HIV/AIDS; 60 per cent of them are women.
- In some parts of Africa, more than a third of adults are HIV positive.
- Although half of AIDS cases are currently found in Africa, the incidence is growing in India and China, posing the very real threat that huge numbers of people may become infected.
- The vast majority of young people have no idea how HIV/AIDS is transmitted or how to protect themselves from the disease.
- It is predicted that a total of 25 million children will have lost one or both parents due to HIV/AIDS by 2010.
- Eighty per cent of all the world's children orphaned by HIV/AIDS live in sub-Saharan Africa.

The sickness and loss of life associated with AIDS have major implications for the family, and the wider community, especially as the most affected age group are those aged 20–45 who are key to providing livelihoods and parenting to their families. The household economy is weakened as sick people are unable to work, and others have to spend time and money providing care. Productive assets, such as tools and livestock, may be sold off. Older people may have to return to the roles of parent and provider. Alternatively, these responsibilities pass to older siblings who then become vulnerable. For example, orphaned teenage girls may turn to sex work in a desperate attempt to feed their siblings, so exposing themselves to HIV infection.

A focus on children is one way of understanding the wider impact of HIV/AIDS on communities and society as a whole. Children are key to a community’s economic, social and family structures, and evidence suggests that HIV/AIDS has a particularly strong effect on children and young people. HIV/AIDS devastates every part of society and the vast majority of children feel its effects, whether they are from HIV/AIDS-affected families or not. For example, education and health systems are weakened as HIV positive teachers, nurses and other staff are unable to work. Health services are overwhelmed by HIV/AIDS. Furthermore, there is declining food consumption among the children of families who take in orphans and increased poverty in general due to economic slowdown.

Therefore the impact of HIV/AIDS over the next decade will be devastating in all aspects of development activity in many countries, especially in sub-Saharan Africa. The unprecedented crisis of children affected by HIV/AIDS will require radically scaled-up national and community responses for the foreseeable future³. The scale of the AIDS epidemic in Africa makes its repercussions qualitatively different from those in other parts of the world⁴.

Figure 2
 Projected population structure of Botswana in 2020 with and without the AIDS epidemic
 From Whiteside A (2002) *Summary of Africa Leadership Consultation: Urgent Action for Children on the Brink*, September 2002



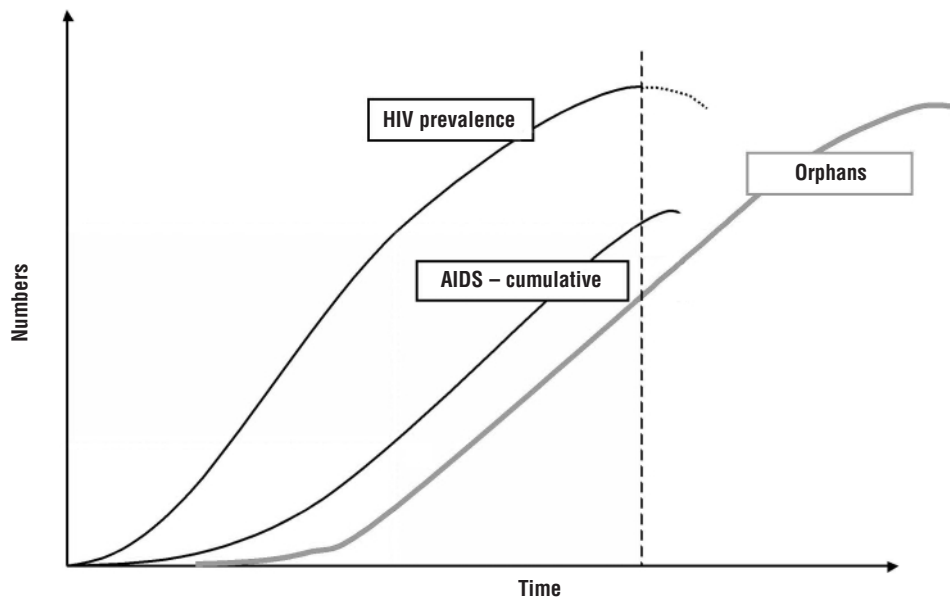


Figure 3

Epidemic curves,
HIV, AIDS and
orphans

From Whiteside A (2002)
*Summary of Africa
Leadership Consultation:
Urgent Action for Children on
the Brink, September 2002*

The population pyramid diagram in Figure 2 shows the distortion in the demographic profile of a country due to HIV/AIDS. In addition, the graph in Figure 3 shows the 'third wave' of orphans as a result of HIV/AIDS, with numbers of children in a country affected by HIV/AIDS continuing to increase even after HIV/AIDS prevalence has begun to decline. The impact of this with regard to increasing vulnerability to HIV/AIDS and decreased human resource capacity for at least another generation must also be taken into account in seeking to reduce poverty on a long-term basis.

Poverty Reduction Strategy Papers

In September 1999 the World Bank and the IMF approved the Poverty Reduction Strategy Papers (PRSPs) approach. Since then 28 countries have completed a full Poverty Reduction Strategy document and another 45 countries have produced an interim document (I-PRSP)⁵. Initially it was expected that PRSPs would be revised every three years. However, following the first major review of the PRSP approach some flexibility (up to five years) in the frequency of full PRSPs has been introduced⁶. Many countries are now producing their second PRSPs, and Uganda is in the process of developing its third.

The principles that underpin the shift towards PRSPs are laudable. According to the World Bank there are five core principles underlying the development and implementation of poverty reduction strategies. The strategies should be:

- **COUNTRY-DRIVEN** – involving broad-based participation by civil society and the private sector in all operational steps
- **RESULTS-ORIENTED** – focusing on outcomes that would benefit the poor
- **COMPREHENSIVE** in recognising the multidimensional nature of poverty

- **PARTNERSHIP-ORIENTED** – involving coordinated participation of development partners (bilateral, multilateral and non-governmental)
- based on a **LONG-TERM PERSPECTIVE** for poverty reduction.

The World Bank and IMF want all countries that come to them for low-interest loans to adopt the PRSP approach. In addition, the World Bank's Country Assistance Strategy will normally be based on the PRSP. DFID is committed to providing aid to Africa increasingly via direct budgetary support to national governments using the national PRSP to determine the disbursement. Indeed, DFID has set a target that, by 2006, 70 per cent of its development assistance to Africa – more than £1 billion per year – will be via direct budget support. Many other donors, in addition to the UK government, have adopted PRSPs as the framework to channel their aid, therefore building coordination around plans that are still heavily influenced by the World Bank/IMF in terms of growth assumptions and poverty reduction approaches⁷. The Poverty Reduction Strategy thus increasingly becomes the main channel for international donor funding. It is therefore vital to examine the impact of HIV/AIDS on economic growth and on human resources within poor countries increasingly affected by HIV/AIDS, for example through further weakening health and education systems.

PRSPs and HIV/AIDS

The vision and the reality

In 2001 UNAIDS and the World Bank jointly stated that, given the adverse effects of HIV/AIDS on poverty, plans to address the epidemic are a natural feature in most if not all PRSPs⁸. It was argued that the potential benefits of giving HIV/AIDS a prominent place in PRSPs are substantial. These benefits include greater political attention to, and increased domestic funding for, the national HIV/AIDS programme, as well as a focus on achieving results in implementing a national HIV/AIDS programme. Crucially, it helps to generate a greater consensus among stakeholders on the main strategies and medium-term goals in tackling the HIV/AIDS epidemic⁹.

In 2001 UNAIDS and the World Bank stated that most I-PRSPs in sub-Saharan Africa developed up to that point had included HIV/AIDS as an issue to be tackled¹⁰. However, the relationship between HIV/AIDS and poverty had only rarely been examined and the strategies to tackle HIV/AIDS did not appear to be very well defined. In particular, the vision of how the country would scale up a response to mitigate the negative effects of HIV/AIDS on human capital and economic growth had not been articulated in any of the PRSPs.

The World Bank acknowledges that many PRSPs at present do not include reference to the impact of HIV/AIDS and children. In late 2003 UNICEF and the World Bank together analysed 19 PRSPs developed in sub-Saharan Africa countries for any mention of measures addressing the needs of children affected by HIV/AIDS. From preliminary analysis it appears that responses to orphans and vulnerable children have received the least attention in terms of the budget within PRSPs allocated to responses to HIV/AIDS. The impact of the distortion in the demographic profile of a country due to HIV/AIDS on the country's human resource capacity does not seem to have been taken into account

in the formation of PRSPs. Crucially the impact on the human resource capacity increases the need to respond to children affected by HIV/AIDS. Despite increasing recognition of its negative impact on the development of children and communities, HIV/AIDS is only one of a number of problems that countries will seek to address in their PRSPs. In addition PRSPs are often formed in a context where the capacity of the government to respond is low.

It is widely accepted that poverty and HIV/AIDS are inextricably linked, and that the response to children affected by HIV/AIDS is vital as part of the overall national response to HIV/AIDS. Therefore why is the formation of PRSPs not leading to the implementation of effective strategies to combat the impact of HIV/AIDS? The following section explores three areas that may help to explain this situation.

Barriers to implementation

The PRSP process does not reflect the needs of people increasingly affected by HIV/AIDS

The formation of PRSPs at the national level provides an opportunity for civil society groups, including faith-based organisations (FBOs), to discuss their experience of the impact of HIV/AIDS and responses to poverty. PRSP discussions should also raise the issue of the nature of donor government and agency support to Southern governments; the impact of this should be related to the ability of national governments to mount an effective response to HIV/AIDS and its effects by working in partnership with civil society.

However, the most recent review of PRSPs¹¹ raised a number of issues which included:

- PRSPs have only been presented to parliaments in half of the countries to date.
- PRSPs are sometimes developed in parallel with other documents such as sectoral policies and poverty reduction strategies for other donors – and their role in government decision-making is unclear.
- Participation in the formation of PRSPs has been ‘broad rather than deep, with a wide range of stakeholders engaged, but only to a limited extent’.

In terms of the national response to HIV/AIDS, governments in a number of countries have rushed to form the I-PRSP and then to form the final PRSP in order to receive much-needed donor funding. This has meant that, in some cases, there has been less emphasis on addressing the causes of poverty, including the impact of HIV/AIDS, and more emphasis on producing a PRSP that will be accepted by the World Bank board.

PRSP content is heavily influenced by assumptions and approaches that do not take account of the impact of HIV/AIDS and that have weakened the ability of national governments to mount an effective response

Analysis of the process and impact of the PRSP in Ethiopia¹², a country increasingly affected by HIV/AIDS, found that the macro-economic chapter of the PRSP points at

fiscal austerity, economic discipline and private sector initiative as the basis for economic growth. There is no mention of the trade-offs for the social sector (and the consequent capacity for responding to HIV/AIDS) triggered by the tight fiscal discipline, nor is there any attempt to assess or monitor the social and poverty impact of the proposed policy reforms. Despite the five core principles outlined by the World Bank that should underlie the development and implementation of poverty reduction strategies, continued World Bank/IMF control of national macroeconomic policy weakens governments' ownership of the PRSPs.

The capacity of the state to deliver basic services in health and education has been reduced over time. This is seen to be due to the impact of HIV/AIDS, but also due to fiscal discipline measures imposed by the IMF as part of medium-term strategic frameworks. What donors are still failing to do is make a real and determined attempt to examine how HIV/AIDS affects all aspects of development activity¹³. A key recommendation from a recent Church of England Synod debate was that the UK government should urge the World Bank/IMF to consider the impact of HIV/AIDS before economic policy recommendations are made, so influencing how the PRSP will impact upon HIV/AIDS. The World Bank was the second largest recipient of multi-lateral funding from DFID in 2002/03. DFID's overall contribution to the World Bank was almost £250 million. This is equivalent to three-quarters of the £336 million reported to be DFID's total HIV/AIDS expenditure over the same period¹⁴. This becomes very important as we consider the role of the World Bank and IMF in the formation and approval of PRSPs, given the stated priority made of HIV/AIDS within the World Bank and DFID. It seems that the favoured means of providing aid through PRSPs does not match the prioritisation of HIV/AIDS. PRSPs are not bringing about effective responses to HIV/AIDS, nor are they bringing about effective responses to lessen the impact of HIV/AIDS.

A profusion of initiatives providing funding for HIV/AIDS responses

There is a profusion of initiatives for the funding of the response to HIV/AIDS, including the Global Fund for AIDS, TB and Malaria; WHO's 3x5 initiative; and the US President's Emergency Plan for AIDS Relief. However, if there is to be better support and funding for responses to HIV/AIDS through national governments, it is vital that PRSPs respond to HIV/AIDS, and that Southern governments are encouraged and supported in this response by donor agencies and governments. There are a number of major initiatives involving government and civil society, but it is not yet clear how these will lead to strengthened national responses to HIV/AIDS in the long term, involving both government and civil society in partnership.

In addition to the formation of PRSPs, there have been recent commitments to massive increases in donor funding for HIV/AIDS. It has, however, been argued that these commitments have meant that some governments have been focusing first on how to access the funds, and only second on how they can respond over the long term. It is possible that countries have not fully articulated HIV/AIDS within PRSPs as there is the assumption that other bilateral funding will be available for responses to HIV/AIDS.

Alarming, there has now been at least one case where increased funding for the response to HIV/AIDS from donor initiatives has hit budget ceilings enforced by the IMF. In Uganda the government has been unable to accept World Bank MAP and Global Fund resources because these would exceed the ceiling of the medium-term public expenditure framework agreed with the IMF¹⁵.

Conclusions

Implications for DFID and other donors in the response to HIV/AIDS

HIV/AIDS is having a devastating effect on many parts of Africa and huge populations in Asia are under threat. The impact will continue for decades. An increased and better response to HIV/AIDS is needed urgently.

HIV/AIDS requires a long-term commitment from all stakeholders – donor governments and agencies, and national governments in the South – to provide a sustainable and effective response to HIV/AIDS to prevent further spread and to reduce the impact of HIV/AIDS on children and their communities. It is therefore vital that PRSPs respond to HIV/AIDS.

All PRSPs in countries increasingly and devastatingly affected by HIV/AIDS need to include the issue as a cross-cutting theme. National governments need to be better supported to enable them to implement the PRSP. For this, donor funding to countries affected by HIV/AIDS must include capacity building of the national government and its systems for delivering services.

DFID's approach to engagement with African governments increasingly through direct budgetary support appears to be problematic in terms of supporting and funding a national response to HIV/AIDS. This is because there does not appear to be full integration of direct budgetary support with funding for HIV/AIDS responses.

Tearfund, with its Southern-based partners, proposes a major piece of research in 2004 reflecting on the current experience and learning of partner organisations in responding to HIV/AIDS through their projects and programmes with children and communities affected by HIV/AIDS in a number of countries. This will seek further to analyse the response to HIV/AIDS through PRSPs and associated processes.

Recommendations

- In the formation and implementation of its new HIV/AIDS strategy, DFID needs to articulate clearly how its support for direct budgetary support and PRSPs as the central mechanism for aid fits with support and funding of responses to HIV/AIDS at the national level and with the 'three ones' model: one HIV/AIDS strategy, one HIV/AIDS Commission, and one way of measuring and reporting progress¹⁶.
- There should be an urgent analysis of the process by which PRSPs are formed and their use as an aid mechanism in the response to HIV/AIDS. This should build upon the recent evaluation by the Independent Evaluation Office of the IMF of PRSPs, and on-going review by the Operations Evaluation Department of the World Bank, which reflect an acknowledgement of these issues by the Bretton Woods Institutions.
- Donors should do more to ensure the needs of poor people are reflected in PRSPs. The PRSP process should involve national parliaments and pro-poor civil society groups at every stage as a minimum.

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- 1 UNAIDS and the World Bank (2001) *AIDS, Poverty Reduction and Debt Relief: A Toolkit for Mainstreaming HIV/AIDS into Development Instruments*
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 - 3 USAID, UNAIDS and UNICEF (2002) *Children on the Brink: Strategies to support children isolated by HIV/AIDS*
 - 4 Foster G (2004) *Study of the response by faith-based organisations to orphans and vulnerable children*, UNICEF and World Conference of Religions for Peace, January 2004
 - 5 Bretton Woods Project (2003) *Poverty Reduction Strategy Papers (PRSPs): A Rough Guide*, April 2003
 - 6 *ibid*
 - 7 *ibid*
 - 8 UNAIDS and the World Bank (2001) *AIDS, Poverty Reduction and Debt Relief: A Toolkit for Mainstreaming HIV/AIDS into Development Instruments*.
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 - 10 *ibid*
 - 11 www.worldbank.org/poverty/strategies
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 - 13 Church of England (2004) *Telling the Story: Being Positive about HIV/AIDS, A Report by the Mission and Public Affairs Council*, February 2004
 - 14 Action Aid (2004) *Low Credit: A report on the World Bank's response to HIV/AIDS in developing countries*, February 2004
 - 15 Peter Piot, Director of UNAIDS, comments at Oral Evidence session for Africa APPG report into the impact of AIDS on sub-Saharan Africa's development capacity, 26 February 2004
 - 16 DFID (2003) *UK's Call for Action on HIV/AIDS*, December 2003

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Author: Richard Weaver

Email: richard.weaver@tearfund.org

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Tearfund briefing papers provide a summary of our latest
understanding of key development issues.

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100 Church Road, Teddington, Middlesex, TW11 8QE, UK

Tel: +44 (0)20 8977 9144

Website: www.tearfund.org

Registered Charity No. 265464