

TAR: STU 38635

Technical Assistance for Socioeconomic Implications of HIV/AIDS in the Pacific

April 2005

Asian Development Bank

ABBREVIATIONS

| | | |
|--------|---|--|
| ADB | – | Asian Development Bank |
| AusAID | – | Australian Agency for International Development |
| NGO | – | nongovernment organization |
| NZAID | – | New Zealand Agency for International Development |
| PDMC | – | Pacific developing member country |
| SOE | – | statement of expenditure |
| SPC | – | Secretariat of the Pacific Community |
| STI | – | sexually transmitted infection |
| TA | – | technical assistance |
| UNAIDS | – | Joint United Nations Programme on HIV/AIDS |

TECHNICAL ASSISTANCE CLASSIFICATION

| | | |
|---------------------------------|---|--|
| Targeting Classification | – | General intervention |
| Sector | – | Health, nutrition, population, and social protection |
| Subsector | – | Health programs |
| Themes | – | Inclusive social development, regional cooperation |
| Subthemes | – | Human development, other vulnerable groups |

NOTE

In this report, "\$" refers to US dollars.

This report was prepared by H. Baxter, Pacific Department.

I. INTRODUCTION

1. Asian Development Bank (ADB) support for HIV/AIDS¹ activities in the Pacific has been limited to date. In October 2004, Director, Area B, Pacific Department, attended the Pacific Parliamentarians' meeting on HIV/AIDS in Suva, Fiji Islands and discussed common issues of concern with representatives of a number of Pacific governments, development partners, and regional agencies, including the Pacific Islands Forum and the Secretariat of the Pacific Community (SPC). In January 2005, a mission participated in the SPC Regional Strategy on HIV/AIDS Implementation meeting, and consulted with key Pacific regional stakeholders in HIV/AIDS. These consultations formed the basis of this proposal for regional technical assistance (TA) including the TA purpose, key activities, consultants' terms of reference, cost estimates, and financing. The TA framework is in Appendix 1.² The concept clearance was approved by the Vice President, Operations 2, on 3 March 2005.

2. All Pacific developing member countries (PDMCs) have been invited to participate in the assistance. Activities under the TA will only commence in a particular country when ADB has received the no-objection to the inclusion of the DMC from the concerned government.

II. ISSUES

A. State of the Epidemic

3. In the Pacific, the HIV/AIDS epidemic is firmly established and is growing rapidly. While most infections to date have been in Papua New Guinea and the Fiji Islands, other Pacific countries—Cook Islands, Federated States of Micronesia (FSM), Kiribati, Nauru, Palau, Republic of the Marshall Islands (RMI), Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu—remain vulnerable to the epidemic, due to their small size, high level of mobility within and outside the region, lack of knowledge about the infection among the general population, and inadequate health sector infrastructure. There has been a rapid increase in the number of reported cases of HIV in almost all countries in the region. However, it is widely believed that these numbers may be underestimated, due to almost nonexistent surveillance and weak capacity to diagnose the infection.

B. Current Response to the Epidemic

4. ADB has an important role to play in combating this epidemic. Controlling and reversing the spread of the disease is one of the Millennium Development Goals. Support for social services, including HIV/AIDS-related activities, is one of the three pillars of the Pacific Strategy.

5. ADB has responded to the crisis with a program of activities in HIV/AIDS both at regional and country levels. A draft strategic approach paper, "Strategic Directions for ADB's Response to HIV/AIDS in the Asia and Pacific Region," addressing the overall objectives and strategy of ADB, is in development. This strategy identifies three priorities for action: leadership support, capacity development, and targeted programs to mitigate the risk among poor and vulnerable groups. In the ADF IX replenishment, donors agreed to establish a grant program to combat HIV/AIDS and other infectious diseases. ADB and UNAIDS committed to a memorandum of understanding in February 2005 which will foster cooperation according to an agreed set of principles and actions.

¹ Human immunodeficiency virus/acquired immunodeficiency syndrome.

² The TA first appeared in *ADB Business Opportunities* on 25 February 2005.

6. ADB's regional strategy for the Pacific will support national efforts to prevent and control HIV/AIDS and strengthen work at the regional level through improved coordination, collaboration, and partnership between regional organizations and national programs. It will also support national efforts to prevent and control HIV/AIDS and national efforts against other sexually transmitted infections (STIs). A regional TA³ is under way which will assess the situation of HIV/AIDS in the Pacific and identify appropriate interventions for ADB over the medium term. A regional approach to HIV/AIDS in all but Papua New Guinea and Timor-Leste is proposed as it offers potential economies of scale and opportunities for comparative analysis and learning that would not necessarily be available through a series of discrete national approaches. Since the countries in the Pacific vary in their efforts to prevent and control HIV/AIDS, a regional approach affords an opportunity for Pacific governments and other stakeholders to share these approaches and to learn from each other's experiences. This will also facilitate development of regional networks and surveillance systems, enabling them to continue learning into the future.

7. The leaders of 22 Pacific Island Countries and Territories endorsed a Pacific Regional Strategy on HIV/AIDS (2004–2008), at the 35th Pacific Islands Forum meeting in August 2004, held in Apia, Samoa. The leaders recognized that the need to address HIV/AIDS in the region is urgent and in endorsing the strategy, called for a detailed implementation plan to be developed by the SPC.

8. UNAIDS has a program of activities in the Pacific managed by an office based in Suva, Fiji Islands. The Global Fund Round 2 allocation for the Pacific Islands Region was \$3 million over 2 years. A 5-year regional proposal aimed at reducing STI prevalence to under 10% and maintaining HIV prevalence among high-risk populations at under 2% in 11 Pacific small island countries is under way. A regional submission is being prepared for the Global Fund's Round 5 allocation.

9. AusAID has a significant contribution with the Pacific Regional HIV/AIDS Project designed to help strengthen capacity of Pacific island governments, nongovernment organizations (NGOs), and communities to develop, implement, and evaluate multisector responses to HIV/AIDS. The project provides funds to contribute to national HIV/AIDS/STI strategic plans and supports the functioning of national AIDS councils. NZAID also funds a number of HIV/AIDS activities, supporting NGOs and UNAIDS.

C. Identified Gaps in the Response

10. As with many social sector issues in the Pacific, there is a lack of good data and information about the epidemic. Effective advocacy with policy makers and leaders is contingent on a sound knowledge base and targeted and widespread dissemination of that knowledge. Gaps exist in a number of areas. There is little known about the socioeconomic impacts of HIV/AIDS in the Pacific. Where HIV/AIDS is gaining ground as an issue at all, it is seen largely as a health issue. As a social issue it is perceived to be confined to marginalized groups such as sex workers.

11. There is a need for research to be undertaken to assess the possible impacts of the epidemic on Pacific economies, including the impact on health budgets. While HIV/AIDS impact assessments are now more commonly undertaken in high-prevalence countries, no such

³ ADB. 2004. *Small-Scale Technical Assistance for HIV/AIDS in the Pacific: ADB's Response*. Manila.

studies have been undertaken in the Pacific. Awareness is growing that the movement of the disease into the general community could have a devastating impact on the health sector in particular, as well as on the macroeconomy. This needs to be studied. Socioeconomic impact indicators need to be reviewed in the context of low to medium prevalence rates. Key demographic, sector, and macro impacts need to be identified and potential future impacts estimated according to various prevalence scenarios.

12. There is also a need to assess the possible impacts at community, household, and individual levels, particularly in regard to the poor. Many PDMCs have committed to addressing poverty and hardship. All have committed to the Millennium Development Goals with their poverty reduction and HIV/AIDS targets. There is little or no information in the Pacific about the effect HIV/AIDS could have on those efforts.

13. The impact of AIDS on poverty at the individual and household levels has been acknowledged and explored in various regions. The link between AIDS and poverty is complex. Poverty increases the risk of infection because of the probability of participation in high-risk behavior and the reduced effectiveness of prevention campaigns. It decreases the likelihood of access to care and treatment programs. Conversely, HIV/AIDS infection causes households and individuals to incur increased expenditure and to forgo income-generating opportunities. Those already in poverty have reduced chances of escaping it and those above the poverty line have an increased likelihood of falling into it. It is important for decision makers to understand whether these micro-level impacts aggregate and influence national poverty indicators.

14. Research needs to be undertaken to identify high-risk groups and the likely impact that the epidemic could have on them. Pacific seafarers are a particularly high-risk group, traveling throughout the Pacific and to countries with high HIV prevalence. Kiribati and Tuvalu for example, provide considerable human resources to international shipping. In both countries the earnings from seafarers alone constitute about 25% of gross domestic product. Greater understanding of mobility patterns and of vulnerability related to mobility in the Pacific is essential for prevention interventions to be prioritized and implemented.

15. Broadening the knowledge base among key policy makers and influencers is essential for appropriate and timely responses to the epidemic. In October 2005, UNAIDS is organizing the first regional Pacific HIV/AIDS conference since 1999. The conference has several objectives: (i) to provide a regional platform for the Pacific to share information and education on various HIV/AIDS issues; (ii) to provide the opportunity for publicity and media events to raise the profile of HIV/AIDS in the region; (iii) to build on current relationships and support between Pacific regional stakeholders and New Zealand's and Australia's programs; (iv) to improve knowledge generally in the region; and (v) to improve the relationships between Pacific partners and leaders to assist with improved strategies for support and prevention programs for difficult to reach populations. A critical component of the conference will be a set of commissioned research papers with a specific Pacific focus. The conference will be a critical forum for raising the awareness of HIV/AIDS issues.

16. UNAIDS has approached ADB for support for the conference. NZAID and UNAIDS are providing some financial support for the conference. UNAIDS is actively pursuing the private sector to provide sponsorship. There is a need for a significant level of additional funding to ensure the success of the conference.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

17. The goal of the assistance is to strengthen the regional response to HIV/AIDS in the Pacific. The purpose is to enhance technical knowledge in HIV/AIDS programs and policies, particularly in regard to the socioeconomic aspects of the epidemic, and to raise awareness and increase understanding among key decision makers in PDMCs of the critical HIV/AIDS issues.

18. The first output component of the assistance will be three analytical studies: (i) poverty and HIV/AIDS in three Pacific countries; (ii) economic impact of HIV/AIDS in the Pacific; and (iii) high-risk behavior study on Pacific seafarers. The outlines of the three studies are in Appendix 2.

19. The second output component will be support for a Pacific regional conference of leaders, key stakeholders, and development partners.

B. Methodology and Key Activities

20. The main activities of the analytical studies are desk reviews of available data, analysis, and report writing. Frameworks for the studies are as follows:

- (i) The study on poverty and HIV/AIDS in three Pacific countries. This study will assess the impact of AIDS on poverty at the individual and household levels by looking at expenditure and income effects associated with HIV/AIDS including increases in health spending and funeral expenses; and reduction in hours worked by people living with HIV/AIDS or by their caregivers. The study will assess household coping strategies such as consumption smoothing, use of savings, sale of assets, borrowing, and changes in household living arrangements. The study will simulate the impact of HIV/AIDS-related expenditure and income effects on the consumption expenditure of these households and to project the aggregate impact on HIV/AIDS on poverty in the three countries between 2005 and 2015.
- (ii) Economic impact of HIV/AIDS in the Pacific. This study will assess the economic impact of the epidemic and include analysis of the burden at the national level, with particular attention to the health sector in regard to the cost of prevention, care, and treatment, the education sector for impact on demand for and supply of education, the impact on business in relation to supply of labor and skill levels, and impact on demand for goods and services.
- (iii) High-risk behavior study on the Pacific seafarers. This study will analyze the behavior of Pacific seafarers and produce a risk assessment. The study will utilize available data from existing surveys. Interviews and focus groups will also be conducted.

C. Cost and Financing

21. The total cost of the TA is estimated at \$380,000 equivalent. ADB will finance \$300,000 and the balance of \$80,000 equivalent will be provided by UNAIDS through the provision of counterpart staff, support services, and office facilities. The TA will be financed on a grant basis by ADB's TA funding program. Appendix 3 presents detailed cost estimates and the financing plan.

D. Implementation Arrangements

22. ADB will be the executing agency for the assistance. For both components, the analytical studies, and support for the UNAIDS conference, PAHQ will be the implementing agency. The expected duration of the TA is 6 months, commencing in May 2005 and ending in October 2005.

23. UNAIDS has procured the services of the Australasian Society for HIV Medicine (ASHM), a regional NGO to organize the conference. Other financiers of the conference will also be engaging ASHM's services. ADB will directly select ASHM to provide the services required under the conference component.

24. For the analytical studies component, ADB will engage three individual consultants for a total of 7 person-months. The poverty study will be undertaken by a consultant with expertise in poverty analysis and HIV/AIDS and will require inputs of 2 person-months. The economic impact study will be undertaken by a consultant with expertise in economic impact assessments and will require inputs of 2.5 person-months. The study on seafarers will be undertaken by a consultant with expertise in behavior assessments of vulnerable populations and will require inputs of 2.5 person-months. Outline terms of reference are in Appendix 4. The consultants will be engaged by ADB in accordance with its *Guidelines on the Use of Consultants*.

25. **Dissemination of outputs.** The analytical studies will be presented at the UNAIDS regional conference and will be published separately by ADB as part of the Pacific Studies Series. The outputs from the conference will be published by UNAIDS following the conference.

IV. THE PRESIDENT'S DECISION

26. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$300,000 on a grant basis for Socioeconomic Implications of HIV/AIDS in the Pacific, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

| Design Summary | Performance Targets | Data Sources/Reporting Mechanisms | Assumptions and Risks |
|--|---|---|--|
| <p>Impact Strengthened regional response to HIV/AIDS in the Pacific.</p> | <p>Increase in budgetary support for HIV/AIDS programs in PDMCs in number of programs and proportion of budget allocation.</p> | <p>Government budget statements. UNAIDS reports. Country assessments of HIV/AIDS programs.</p> | <p>Assumptions Political commitment for HIV/AIDS programs at country level is maintained. Increased awareness and knowledge translates into changed government decision making.</p> |
| <p>Outcome Enhanced technical knowledge in HIV/AIDS programs and policies, and increased awareness and understanding among key decision makers in PDMCs of the critical HIV/AIDS issues.</p> | <p>Increase in knowledge and understanding of HIV/AIDS.</p> | <p>UNAIDS reports. Conference documentation Feedback from ADB country program missions. Country assessments of HIV/AIDS programs.</p> | <p>Assumption Presentation of studies and conference participation leads to better knowledge.</p> <p>Risk Key decision makers do not attend the conference. To be mitigated by widespread promulgation of the discussion papers at country level.</p> |
| <p>Outputs 1. Analytical studies: (i) Poverty and HIV/AIDS in three Pacific countries. This study will assess the impact of AIDS on poverty at individual and household levels and contribute to better awareness among government decision makers. (ii) Economic impact of HIV/AIDS in the Pacific. This study will assess the economic impact of the epidemic and contribute to heightening awareness and building knowledge. (iii) High-risk behavior study on the Pacific seafarers. This study will analyze behavior of Pacific seafarers and produce a risk assessment. 2. Pacific regional conference of leaders, key stakeholders, and development partners.</p> | <p>Recruitment of qualified and experienced consultant to conduct study. Presentation of findings from the studies at Auckland HIV/AIDS Conference. Publication of study findings. Participation levels of ministers, senior officials, and regional stakeholder groups at the conference.</p> | <p>Contract for consultancy services. UNAIDS reports. Conference documentation. UNAIDS reports. Conference documentation.</p> | <p>Assumptions Sufficient data are available on poverty at individual and household levels. Qualified consultants will be available at short notice. Assumption Sufficient data are available on economic impacts of the epidemic.</p> |

| Activities | Inputs |
|---|--|
| Analytical Studies Conduct research and analyze findings (by July 2005) Finalize studies (by August 2005) Conference Organize conference (by October 2005) Publish and disseminate conference papers (by October 2005) | ADB: \$300,000 UNAIDS: \$80,000 |

ADB = Asian Development Bank, HIV/AIDS = human immunodeficiency virus/acquired immunodeficiency syndrome, PDMC = Pacific developing member country, UNAIDS = Joint United Nations Programme on HIV/AIDS.

OUTLINE OF ANALYTICAL STUDIES

1. The studies will be suitable for publication in the Pacific Studies Series.
 1. **Poverty and HIV/AIDS in Three Pacific Countries**
2. This study will assess the impact of AIDS¹ on poverty at the individual and household levels and include an assessment of:
 - (i) expenditure and income effects associated with HIV²/AIDS:
 - (a) health spending
 - (b) funeral expenses
 - (c) reduction in hours worked by people living with HIV/AIDS (PLWHA) or by their caregivers
 - (ii) household coping strategies:
 - (a) consumption smoothing
 - (b) use of savings
 - (c) sale of assets
 - (d) borrowing
 - (e) changes in household living arrangements
 - (iii) simulations of the impact of HIV/AIDS-related expenditure and income effects on the consumption expenditure of households with PLWHAs, and
 - (iv) projections of the aggregate impact on HIV/AIDS on poverty in the three countries between 2005 and 2015.
2. **Economic Impact of HIV/AIDS in the Pacific**
3. This study will assess the economic impact of the epidemic. It will include analysis of:
 - (i) economic burden at national level;
 - (ii) impact on the health sector in regard to the cost of prevention, care, and treatment;
 - (iii) impact on the education sector for impact on demand for and supply of education; and
 - (iv) impact on business in relation to supply of labor and skill levels, and on demand for goods and services.
3. **High-Risk Behavior Study on Pacific Seafarers**
4. This study will analyze the behavior of Pacific seafarers and produce a risk assessment. It will include analysis of:
 - (i) mobility and migration patterns;
 - (ii) description of characteristics of high-risk group (including age, education levels, type of employment);
 - (iii) description of behavior and assessment/estimates of behavior engagement; and
 - (iv) assessment of HIV/AIDS risks and vulnerabilities of different group types.

¹ Acquired immunodeficiency syndrome.

² Human immunodeficiency virus.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

| Item | Total Cost |
|--|-----------------------|
| A. Asian Development Bank Financing^a | |
| 1. Consultants | |
| a. Remuneration and Per Diem | |
| i. International Consultants | 93.4 |
| b. International and Local Travel | 45.0 |
| c. Reports and Communications | 15.0 |
| 2. Training, Seminars, and Conferences | 100.0 |
| 3. Miscellaneous Administration and Support Costs | 6.6 |
| 4. Contingencies | 40.0 |
| Subtotal (A) | 300.0 |
| B. UNAIDS | |
| 1. Office Accommodation and Transport | 5.0 |
| 2. Remuneration and Per Diem of Counterpart Staff | 10.0 |
| 3. Training, Seminars, and Conferences | 65.0 |
| Subtotal (B) | 80.0 |
| Total | 380.0 |

UNAIDS = Joint United Nations Programme on HIV/AIDS.

^a Financed by the Asian Development Bank's technical assistance funding program.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. HIV/AIDS¹ Specialist/Economist (international, 2.5 person-months)

1. The specialist will work from Manila, Philippines and Suva, Fiji Islands, and make trips to various Pacific developing member countries (PDMCs), as needed. The consultant will work under the overall technical guidance and supervision of the Asian Development Bank (ADB) task manager. The consultant will ensure that all works and outputs under the technical assistance (TA) are fully compliant with all relevant ADB policies and guidelines.

2. The specialist will have the following experience and qualifications:

- (i) academic qualification in public health or development economics or a related field;
- (ii) experience in regional and country level assessments for HIV/AIDS program resource needs and gaps;
- (iii) working experience in the Pacific region and extensive knowledge of Pacific island economies and societies;
- (iv) demonstrated communication skills in engaging with governments, civil society, nongovernment organizations (NGOs), the private sector, and development partners; and
- (v) extensive program design experience in a multipartner environment

3. The specialist will be responsible for the following:

- (i) prepare a detailed work plan for the project;
- (ii) develop a framework for the study;
- (iii) prepare the overall study design;
- (iv) conduct desk study of literature;
- (v) conduct consultations with Pacific governments;
- (vi) conduct consultations with development partners, civil society, NGOs, and others; and
- (vii) prepare the final report (as per the attached outline) summarizing the findings of the study and incorporating the comments on various drafts within the agreed time frame.

4. The following reports will be prepared by the consultant and submitted to ADB:

- (i) an inception report 4 weeks from the start of the project detailing work plan, study framework, and initial findings and recommendations for the future direction of the TA; and
- (iii) a final report, based on the draft final report, incorporating the comments received on the draft.

¹ Human immunodeficiency virus/acquired immunodeficiency syndrome.

B. HIV/AIDS Specialist/Poverty Specialist (international, 2 person-months)

5. The specialist will work from Manila, Philippines and Suva, Fiji Islands, and make trips to various PDMCs, as needed. The consultant will work under the overall technical guidance and supervision of the ADB task manager. The consultant will ensure that all works and outputs under the TA are fully compliant with all relevant ADB policies and guidelines.

6. The specialist will have the following experience and qualifications:

- (i) academic qualification in public health or development economics or a related field;
- (ii) experience in regional and country level assessments for HIV/AIDS program resource needs and gaps;
- (iii) working experience in the Pacific region and extensive knowledge of Pacific island economies and societies; and
- (iv) demonstrated communication skills in engaging with governments, civil society, NGOs, the private sector, and development partners.

7. The specialist will be responsible for the following:

- (i) prepare a detailed work plan for the project;
- (ii) develop a framework for the study;
- (iii) prepare the overall study design;
- (iv) conduct desk study of literature;
- (v) conduct consultations with Pacific governments;
- (vi) conduct consultations with development partners, civil society, NGOs, and others; and
- (vii) prepare the final report (as per the attached outline) summarizing the findings of the study and incorporating the comments on various drafts within the agreed time frame.

8. The following reports will be prepared by the consultant and submitted to ADB:

- (i) an inception report 4 weeks from the start of the project detailing work plan, study framework, and initial findings and recommendations for the future direction of the TA; and
- (iii) a final report, based on the draft final report, incorporating the comments received on the draft.

C. HIV/AIDS Specialist/Social Anthropologist (international, 2.5 person-months)

9. The specialist will work from Manila, Philippines and Suva, Fiji Islands, and make trips to various PDMCs, as needed. The consultant will work under the overall technical guidance and supervision of the ADB task manager. The consultant will ensure that all works and outputs under the TA are fully compliant with all relevant ADB policies and guidelines.

10. The specialist will have the following experience and qualifications:

- (i) academic qualification in public health or development economics or a related field;

- (ii) experience in regional and country level assessments for HIV/AIDS program resource needs and gaps;
 - (iii) working experience in the Pacific region and extensive knowledge of Pacific island economies and societies;
 - (iv) demonstrated communication skills in engaging with governments, civil society, NGOs, the private sector, and development partners; and
 - (v) extensive program design experience in a multipartner environment
11. The specialist will be responsible for the following:
- (i) prepare a detailed work plan for the project;
 - (ii) develop a framework for the study;
 - (iii) prepare the overall study design;
 - (iv) conduct desk study of literature;
 - (v) conduct consultations with Pacific governments;
 - (vi) conduct consultations with development partners, civil society, NGOs, and others; and
 - (vii) prepare the final report (as per the attached outline) summarizing the findings of the study and incorporating the comments on various drafts within the agreed time frame.
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 - (iii) a final report, based on the draft final report, incorporating the comments received on the draft.