OPEN SOCIETY FOUNDATIONS

Draft Discussion Paper

Ready, Willing, and Able? Challenges Faced by Countries Losing Global Fund Support

Updated: July 30, 2015

224 WEST 57th St., New York, NY 10019 | TEL 1-212-548-0600 | @opensociety

Introduction

The Global Fund to Fight AIDS, Tuberculosis and Malaria is withdrawing or reducing support in many middle-income countries. This withdrawal is based on the premise that richer countries can afford to take care of their own. Relative wealth, however, has proven to have little to do with countries' readiness, willingness, or ability to assume responsibility for HIV/AIDS programs, especially those focused on HIV programming for key populations such as people who inject drugs (PWID), sex workers, and men who have sex with men (MSM).

Reduction or cessation of Global Fund support without credible government plans or commitments to assume responsibility threatens years of investment, and the lives of many living with or at risk of HIV. While withdrawal of the Global Fund has been termed "transition" or "graduation," country experiences often suggest a less positive process. This brief outlines some country experiences suggestive of criteria for responsible transition and sustainability of HIV efforts.

Not Ready. Without proper planning, countries are not ready to take over funding for HIV prevention programs

The Global Fund requires countries to engage in *planning with multiple stakeholders, including key affected populations, government, and non-governmental organizations (NGOs)*, recognizing that this consultation process is critical to an effective HIV response.

A government-supported HIV response also requires ongoing involvement of these groups. Promises to support HIV programming are not sufficient if the country lacks legal frameworks to allow for work with most vulnerable groups, mechanisms for planning and implementation of that work, or a timeframe that is too short to realize those plans. Many governments also lack effective mechanisms to support NGOs critical to efforts to reaching those most vulnerable to HIV who frequently have limited contact with or distrust for governmental institutions.

- ***Serbia***, which had received $30 million in Global Fund support for HIV, became ineligible for funding in June 2014. The Global Fund left Serbia without ensuring that an appropriate transition plan was in place or that funding for its implementation allocated. Despite having sound policies and legal frameworks for implementation of the HIV response, the government has not taken a leadership role in the transition. The Country Coordinating Mechanism (CCM) has not met since the Global Fund's withdrawal. The National Commission for HIV/AIDS that predated the CCM has not functioned for five years. As a result, no one is held accountable to implement the transition.

- In ***Macedonia***, where the Global Fund finances more than 90 percent of HIV prevention, support is due to end in December 2016. The country was required to use Phase 2 of their current Global Fund HIV/TB grant to both meet their programmatic indicators and develop a sustainability plan. Despite the CCM's efforts to initiate development of such a plan, the country—undergoing political turmoil that has led to the ousting of several high-level government officials—is unlikely to develop a functional transition plan by November 2015, a deadline given by the Global Fund. Given the proportion of current Global Fund contributions to national HIV prevention, it is unlikely that the government will allocate sufficient resources to make up the gap.

  At particular risk are services for people who inject drugs, sex workers and MSM, most of which are delivered by NGOs. Until now, the contributions of the Ministry of Health and Ministry of Social Policies to running of these programs have remained below 1 percent. The Ministry of Health has started a registration process for NGOs to make them eligible to receive funding for HIV prevention. The current social contracting mechanism, however, requires organizations to provide the funds up front and be reimbursed only upon project completion—a requirement most organizations delivering services for key populations cannot meet.

- In ***Thailand***, the Global Fund has been funding virtually 100 percent of the HIV prevention services targeting PWID, though this support has accounted for only 6 percent of the total award since 2002. Government pledges to help cover the costs, made when the Global Fund supported more of the harm reduction infrastructure, have been retracted following news that the Fund would reduce its support for harm reduction by 50 percent in 2015. Thailand's negotiation of that 2015 grant agreement was finalized six months late. With no plan currently in place for transition to full government support, no assurances that people who inject drugs will be adequately supported, and demands that they make up for lost time in achieving their targets, NGOs are concerned and confused by recent statements from the Global Fund highlighting Thailand's transition as a success.

Not Willing. Governments are not willing to fill in the gap for HIV programming for key populations

Effective HIV prevention requires programming that addresses vulnerable groups, including sex workers, PWID, MSM, and transgender people, as well as structural drivers of HIV risk such as criminalization, police harassment, and discrimination. Support to community systems strengthening and human rights-based programming is also critical to an effective HIV response. Many governments, even those who say they will maintain Global Fund investments in HIV, prove reluctant to invest in programs for one or more of these populations.

In Serbia, the Global Fund supported more than fifty organizations providing services for PWID, MSM, sex workers, and Roma. The Serbian government, despite commitments stated in their National Drug Strategy and National Strategy for HIV/AIDS, has not kept its promise to sustain HIV prevention.

- The 2015 national HIV budget allocated just 3 percent for HIV prevention, with no funds at all for key populations. Programs serving 3,000 people who inject drugs in seven cities, including in the three largest cities of Novi Sad, Belgrade, and Nis, have drastically cut or stopped services. An NGO that had been reaching more than 3,000 men who have sex with men estimates that this year they will reach 500—a drop of almost 85 percent.

- With the exception of governments of Novi Sad and Vojvodina, which have provided several small €1,700 grants to NGOs for services for PWID, local governments have not stepped in to support HIV prevention programs for key populations.

Thailand had a significant reduction in its GFATM allocation this year, and the Thai government has announced that it will take over all support for HIV programming by 2017. While the government has set an international example with provision of antiretroviral treatment and prevention of mother-to-child transmission of HIV, it has lagged in HIV prevention for PWID.

- The NGO responsible for providing most HIV prevention services for PWID reports that support for HIV prevention for this population was slashed by 50 percent in the current Global Fund grant—from $3M per year to $1.5M per year. The 50 percent reduction in funding was accompanied by a tripling of the number of PWID that implementing agencies were expected to reach.

- Transition from one sub-recipient to another led to stockouts in needles and syringes for as long as six months—with little action to fill the gap from any of the key stakeholders, from CCM members to government agencies.

- Needle and syringe services have been cut; one NGO reports that it was forced to suspend services in 5 out of 19 provinces, with no discussion and no plans to ensure continuity of services for hundreds of people who use drugs. A pharmacy-based voucher scheme, established with previous Global Fund support, has been terminated.

- Funding cuts, which have increased burden on service providers, meant the elimination of virtually all advocacy and support systems, including hepatitis C treatment, protection from arrest, collaboration with law enforcement, and operational research. Funds are also not available for basics such as computers and logbooks, or for technical assistance and training needs.

Jamaica is experiencing a rapid, three-year Global Fund exit process, in which the country is expected to fully from all Global Fund support by the end of 2018. Government willingness and ability to support HIV treatment and prevention for MSM currently supported under the Global Fund is in question.

- Jamaica criminalizes MSM (up to 10 years imprisonment for same sex acts), who also experience high rates of violence and discrimination, and the highest HIV prevalence rate among MSM in the region (32 percent).

- Ministry of Health officials who have worked with the Global Fund are aware of the importance of HIV programming for MSM and other key populations. NGOs report that other government actors (including the Ministries of Justice and Finance) are increasingly engaged in HIV discussions as Jamaica takes over funding, but do not share a commitment to supporting HIV programs for criminalized populations.

In ***Mexico***, the withdrawal of the Global Fund was accompanied by severe disruption to harm reduction programs—and no plan for transition to ensure continuity of services.

- Multiple NGOs in northern Mexico, where injecting drug use is a common risk factor for HIV, report that distribution of needles and syringes per injecting drug user fell by between 60 to 90 percent following cessation of Global Fund support.

- Outreach was also sharply reduced, with organizations unable to pay trained staff and drug users required in many instances to come to NGO offices during business hours to get injecting equipment.

- While the government supports locked "rehabilitation" centers for drug users, it has articulated no long-term plan for needle and syringe programs. Even the limited level of existing harm reduction services has relied partly on commodities donated by organizations ceasing operations after the withdrawal of the Global Fund.

Not Able. World Bank estimates of gross national income (GNI) do not accurately capture government ability to pay, or the effects of current events on national economies

The Global Fund uses the World Bank Atlas on GNI to determine a country's income classification and eligibility for Global Fund support. World Bank estimates, drawn from the previous year, are insufficiently responsive to current events and too blunt to accurately capture a government's ability to pay. Multiple factors determine a country's ability to mobilize resources for HIV, including economic disparities within borders, natural disasters or other emergencies, strength of health systems (including community systems), political conflict, and currency devaluation. In addition, increased GNI often leads to increased health care costs, due to less preferential trade policies that increase the cost of medicines.

Jamaica, classified as an Upper Middle Income Country, has experienced a sharp economic decline that led to the highest debt-to-GDP ratio in the world.

- Though the government had expressed willingness to take up more HIV expenditures, it has not been able to honor those earlier pledges.

- Austerity policies imposed by the International Monetary Fund and an outbreak of chikungunya virus in 2014 have led to a state of health emergency and severe strain on the health system.

- Nonetheless, Jamaica is expected to assume 30 percent of costs of antiretroviral treatment in 2016, 50 percent by 2017, and to "graduate" from all Global Fund support by 2019.

Ukraine—designated a lower-middle income country by the World Bank—is experiencing armed conflict in the East, sharp currency devaluation, and major funding shortfalls. Faced with the need to redirect its financial resources to support the military and the needs of 1.3 million of internally displaced persons, Ukraine has significantly reduced its overall spending on health.

- In 2014, in the midst of these political challenges, the Global Fund's funding for HIV in Ukraine was to be reduced by 50 percent. This funding was eventually restored after negotiation between the Principal Recipient and the Secretariat. However, the service package for HIV prevention programming for key populations, especially those reaching PWID, sharply decreased—from US $16.2 million in 2013 to US $7.6 million in 2015.

- At the same time, the Ministry of Health has not been able to fulfill its previous pledges for HIV prevention. The 2014 AIDS national budget has been reduced by 71 percent, from US $99.6 million planned in 2013, to only US $28.2 million allocated in 2014.

Considerations for responsible transition and sustainable HIV programming

1. **Is the country ready?**

    - Is there a coordinating or planning body that includes key affected populations, governments, and NGOs, to effectively prioritize and allocate HIV funding committed by the government?

    - Is there a contracting mechanism that allows government support to NGOs critical to provision of HIV prevention and treatment services to vulnerable groups?

- Have transparency and accountability mechanisms been developed that will allow civil society to monitor government HIV expenditures and implementation of the transition plan (including mechanisms for external monitoring/involvement of the international community if commitments are not honored)?

- Has the country demonstrated significant progress toward defeating HIV? Has the country initiated a coordination process with other donors to ensure continuity of services throughout the transition period and to secure other sources of funding where needed?

- Has the country completed a cost assessment of needed human rights programming, and have resources been mobilized to support implementation of these programs?
- Does the country have necessary policies and practices in place for of procurement of essential medicines and other commodities?

- Has sufficient time (as determined in consultation with stakeholders) been allowed to enable the development and functioning of these groups and processes necessary to the transition?

2. Is the country willing?

- Is the government able to explicitly commit to the allocation of resources to vulnerable groups among whom HIV epidemics or sub-epidemics are concentrated (including prevention programming and rights-based approaches)?

- Can key affected populations meaningfully participate in the transition processes?

- Has the country displayed its willingness to ensure non-discriminatory access to services for key populations (through removal of legal barriers, criminal justice reform)?

- Is there a mechanism to invite external monitoring or alert the international community when such commitments are made but not honored?

3. Is the country able?

- Have there been major unanticipated financial challenges (e.g., austerity measures, outbreaks of other infectious disease epidemics, currency devaluation, or larger political factors) that make previous HIV financial commitments significantly less achievable or impactful?

- Does the country have an adequate health care delivery system that supports delivery of services to key populations, and includes the ability to support

community groups to provide health services?

- Does the country have mechanisms and fiscal space to ensure continuity of HIV commitments despite unanticipated events (e.g., natural disasters, political instability, disease outbreaks)?

Note: In June 2015, the Global Fund Secretariat floated another allocation formula which may further jeopardize the availability of funds for socially excluded groups living in middle income countries with concentrated epidemics.