
UBRAF thematic report: closing the resource gap

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Results

In 2012 and 2013, closing the resource gap for HIV responses was a priority for UNAIDS at all levels. In 2013, 99 out of the 109 countries involved in the mid-term review of the 2011 UN Political Declaration on HIV/AIDS identified it as a national priority.

1) Increased investments primarily through domestic funding

Globally, domestic public investments surpass international HIV funding, contributing more than half of the global resources for HIV (52–53% in 2011–2012) while international investments have remained fairly stable. The increase in domestic investments has been most remarkable in upper middle-income countries, which now contribute up to 88% of HIV funding, but less so in lower middle-income and low-income countries, which contribute only 27% and 16% respectively of total resources needed for HIV.

The fair share and global solidarity agenda headed by UNAIDS' Executive Director has been key. A series of high-level gatherings, organized to secure African leadership commitment in increased and sustainable domestic HIV financing, resulted in the *Roadmap on shared responsibility and global solidarity for AIDS, TB and malaria response in Africa 2012–2015* being adopted at the African Union (AU) summit in 2012. Under the leadership of the President of Benin, chair of the AU, the majority of African countries are implementing the first pillar of the AU roadmap that emphasizes increased domestic financing as the safest means to sustain HIV financing.

In November 2012, UNAIDS and the World Bank organized the first international gathering on HIV financing frameworks, bringing together countries, bilateral and multilateral donors, UN agencies and civil society to develop mutual understanding of the fair share and global solidarity agenda, and its principles and mechanisms for country implementation. As a follow-up, UNAIDS reviewed donor country HIV financing agreements, identifying features that should be part of any country/donor compact, with the ultimate goal of a smooth transition towards domestic financing for HIV. These features included agreements of a minimum five years, involving all partners from the outset, setting ambitious but realistic targets, and having monitoring systems and related incentives.

In addition, UNAIDS assessed ways to increase HIV investments at country and global level and projected their abilities to generate resources. Innovative financing mechanisms to generate HIV domestic funding are used by a number of countries, including Botswana, Cameroon, Ethiopia, Gabon, Kenya, Namibia, Rwanda and Zambia.

2) Smart investments increasing impact and value for money

More than 30 countries pledged to work with UNAIDS to develop investment approaches and cases over the next two years, with almost half completing or launching such processes by December 2013. The defining elements – linking investments with impact, and using empirical evidence and modelling to identify gaps, potential sources of funding and efficiency gains – provide a framework to align government domestic funding strategies for the medium and long term with donor-supported efforts. Initial investment cases finalized in 2013 reveal that several middle-income countries, including Belarus, Jamaica, Thailand and Ukraine, pledged to assume 100% responsibility for financing their response. An investment case tool and process guide were developed and distributed.

In support of its financing operations, the World Bank carried out four types of analysis to help countries improve the efficiency and effectiveness of HIV responses. These included allocative efficiency analysis, programme efficiency analyses, effectiveness studies, and sustainability of financing studies. In addition, the World Bank-led Aids Strategy and Action Plan Service (ASAP) initiative served as a good foundation for the new investment approach.

The International AIDS Society, the World Bank, the UNAIDS Secretariat and the Global Fund have organized regional and country forums in Eastern and Southern Africa, West and Central Africa, Nigeria, South Africa and India to discuss how to make efficiency, effectiveness and sustainability of HIV responses central to HIV programmes and planning.

3) Evidence, strategic information, guidance and tools informing country and donor agendas

The Secretariat and the World Bank co-convene the HIV Economics Reference Group (ERG), an advisory body that provides countries and international partners with policy and guidance for AIDS investments, advances the research agenda in AIDS economics and seeks to harmonize research methodologies and tools. ERG comprises three working groups focusing on costing, efficiencies and the sustainability of HIV financing. It is supported financially by the Bill and Melinda Gates Foundation.

The UNAIDS Secretariat and WHO have organized a series of consultations on the implications of implementing the WHO 2013 antiretroviral treatment guidelines that will influence the retargeting and new HIV global investment needs up to 2030 at country and global levels.

Coordinated by UNDP, an Investment Framework Task Team has produced a paper, *Understanding and acting on critical enablers and development synergies for strategic investment*, which will help countries and partners focus and prioritize their efforts.

The Inter-Agency Working Group (IAWG) on costing (WHO, UNICEF, the World Bank, UNAIDS, UNFPA and UNDP) developed the OneHealth Tool software that provides planners with a single framework for planning, costing, impact analysis, budgeting and financing of strategies for all major diseases and health system components.

The Technical Working Group on HIV sustainable financing of the HIV Economics Reference Group established the Task Force on Resource Tracking to help standardize and harmonize the different HIV resource tracking tools to decrease the burden of reporting in countries and improve the quality of data on HIV spending.

To support countries accessing the Global Fund's new funding model, UNAIDS produced a technical guide to demonstrate the value for money of their proposals, and joined with partners in organizing capacity-building workshops for concept note development.

Constraints, challenges and lessons learned

Despite the increase in domestic investments for HIV, a considerable resource gap for 2015 remains, one that will probably widen with the implementation of WHO 2013 treatment guidelines. AIDS funding dependency continues to be high in Africa where 14 out of 21 UNAIDS High Impact Countries contribute less than 30% of total HIV resources.

Unpredictability, the flattening and potential decline of HIV external funding beyond 2015, was identified by an absolute majority of countries undergoing the High Level Meeting (HLM) target mid-term review as one of the most important challenges to closing the resource gap. This challenge concerns not only low-income countries, historically dependent on foreign aid, but also an increasing number of recently classified middle- and upper middle-income countries in the Eastern Europe and Central Asia region, and Latin America and the Caribbean. These countries expressed serious doubts about the feasibility of footing the HIV bill from domestic resources after the Global Fund and other bilateral and multilateral projects run out in 2015.

Often, lack of adequate HIV resources is made worse by inefficiencies at different levels. Despite access to the voluntary pool procurement services for all Global Fund grantees, a number of countries in Africa and Eastern Europe pay above the norm prices for antiretroviral drugs and HIV diagnostic tests, due mostly to inappropriate forecasting, inefficient tendering procedures or small regional markets. Studies of service delivery costs at health-care facilities have shown considerable variations, not only between countries within the same region and with comparable prevalence, but also between different centres within the same country. The studies also revealed considerable proportions of funding going into programme management and administration.

Lack of data on HIV spending, funding flows and unit costs, coupled with inadequate expenditure tracking and financial planning and management skills among AIDS programme managers, make it difficult not only to take stock of domestic investment and potential inefficiencies, but also to properly plan and make the case for HIV investment.

Developing an investment case is an inherently political process that requires difficult decisions by diverse stakeholders, including ministries of finance, health, development and planning, civil society, people living with HIV and international partners. It is, therefore, important for the HIV community to provide robust evidence of future savings and economic gains for proposed HIV investments, with important spillover effects for other social sectors.

Plans for the future

- Advocate for increased HIV investment by countries and donors. UNAIDS will continue to work closely with all stakeholders for increased HIV investments as a means to deliver an AIDS-free future.
- Scenarios for new global HIV investment need to be considered to 2030 to reflect the latest programmatic and normative developments, and data on costs and efficiencies. Different scenarios reflecting aspirational targets for highest impact at the least cost, or more realistic targets accounting for current pricing trends and possible absorptive capacities/scale-up barriers, will be defined, with related financing options based on recent data from countries, especially the 10 with the highest HIV burden.
- Develop a conceptual framework and definition for HIV sustainability of financing and transition towards domestic funding against a backdrop of wider health and social sector fiscal space.
- HIV positioning vis-à-vis universal health coverage (UHC) efforts will be explored and policy options offered. While certain elements of the HIV response, such as antiretroviral therapy, will benefit from being part of the UHC benefit packages countries are defining, services that fall outside health systems (and therefore outside possible benefits packages) will be considered, as will coverage and access to services by those populations most at risk.

- Continue to support countries build their investment approaches and cases, analysing their resource needs and optimizing their resource allocation and service delivery as well as accessing international AIDS financing.
- Continue to coordinate efficiency, effectiveness and sustainability of the HIV financing agenda through the HIV Economics Reference Group (ERG), and harmonize tools and approaches for measuring costs and benefits of HIV interventions and expenditure tracking between main stakeholders.

Supporting documents

- *2013 Global report on the AIDS epidemic*
http://www.unaids.org/en/media/unaids/contentassets/documents/epidemiology/2013/gr2013/UNAIDS_Global_Report_2013_en.pdf
- *Smart investments*
http://www.unaids.org/en/media/unaids/contentassets/documents/unaidspublication/2013/20131130_smart-investments_en.pdf
- *Making the case for investing in HIV more strategically: an investment case tool. Geneva, Joint United Nations Programme on HIV/AIDS, 2013 [in publication]*
- *Making the case for investing in HIV more strategically: a process guide. Geneva, Joint United Nations Programme on HIV/AIDS, 2013 [in publication]*

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