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## 2014 UBRAF thematic report

### Closing the resource gap

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## ACHIEVEMENTS

UNAIDS and the international community committed to ending the AIDS epidemic as a public health threat by 2030. This necessitates setting ambitious targets across all the basic programme activities and critical enablers by 2020, matched by considerable upfront investments from both countries and donors and based on principles of fair share and global solidarity.

### **Increased investments for HIV primarily through domestic resources**

Global resources available for HIV reached US\$ 19.1 billion, a slight increase from 2013, while domestic resources surpassed international resources for the fourth year running. However, dependence on international aid remains considerable among low-income countries where domestic public sources account for only 15% of resources, compared to 85% in upper-middle-income countries.

UNAIDS projected new HIV investment needs estimates for ending the AIDS epidemic by 2030. The process involved consultation with experts, modellers, regional representatives, civil society and other partners on defining global aspirational targets and models. Global inputs by 36 countries that bear 90% of the burden of disease and spending were validated through regional consultations in the Eastern and Southern Africa (ESA), West and Central Africa, Asia and Pacific (AP) and Latin America and the Caribbean regions.

In addition, the regional support teams in ESA and AP have conducted regional studies of the current funding landscape, as well as identifying options for sustainable HIV financing options through domestic resources.

### **Coordinated HIV economics agenda for closing the resource gap**

UNAIDS Secretariat and the World Bank have successfully convened the HIV/AIDS Economic Reference Group (ERG) and its respective technical working groups. The ERG provided important advice towards the global resource needs estimates. Chaired by the World Bank, the ERG Technical Working Group on Allocative Efficiency and Programme Effectiveness has produced an inventory of the different resource allocation models and will provide guidance to countries on these. In addition, the working group is looking at integration of selected HIV interventions into universal health coverage benefits packages, based on cost effectiveness criteria, and producing guidance to countries in the use of economic evaluation for defining programme effectiveness.

Chaired by UNAIDS, the ERG Technical Working Group on HIV sustainable financing has identified four interlinked domains for HIV financial sustainability:

- Metrics for fair share in HIV financing between and within countries and donors.
- Strategies to translate the metrics into increased domestic and international resource envelopes.
- Integration of HIV into national health budgets.
- Schemes and smooth management of transitions from donor financing to domestic

financing for HIV.

The working group has also:

- looked at opportunities and limitations of integrating HIV into domestic financing schemes;
- overviewed experiences of donor country arrangements for smooth transition to domestic financing; and
- identified criteria for country donor compacts including length of agreement, definition of programmatic and financial targets, monitoring and accountability mechanisms, including incentives and penalties.

As part of this group, a Task Force on Resource Tracking for HIV has been established and several agreements have been reached for standardization of classification and methodologies between different resource tracking tools.

Chaired by the Bill & Melinda Gates Foundation and the Centres for Disease Control and Prevention, the ERG Technical Working Group on costing and technical efficiency has identified overlaps and gaps in costing and technical efficiency studies and is working towards defining a framework for measurement of technical efficiency for HIV interventions. It is also producing guidance on how countries can reflect the costing data into their programme planning and implementation.

The World Health Organization (WHO), the World Bank and UNAIDS Secretariat have had intensive interaction and collaboration with The Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) for their next strategy and Equal Access Initiative, resulting in recognition of the need for special treatment for HIV. This work addresses key populations and the unwillingness of some governments to take over related programmes—necessitating the presence of the Global Fund in support of civil society and programmes for these populations—as well as acknowledging the difference between a country's gross domestic product and its ability to create fiscal space, necessitating a cautious and lengthy exit strategy.

### **Evidence, strategic information, guidance and tools informing country and donor agendas**

Economic analysis have been at the centre of two UNAIDS reports. The Gap report contained a detailed analysis of the impact and costs of inaction among key populations, while the World AIDS Day 2014 report offered detailed analyses on impact and resource requirements and returns for alternative scenarios of HIV responses, along with an analysis of the possible funding options.

UNAIDS has studied the relationship between critical enablers and AIDS mortality in order to determine the impact of these enablers in the AIDS epidemic. A quality assured database of all available HIV expenditure data for the period 2006–2013 for 33 priority countries has been developed and the various consultations of the Task Force on HIV Resource Tracking have laid the foundations for development of the Performance Oriented

Resource Tracking and Investment Assessment (PORTIA) that will connect resource tracking with performance and outcomes of interventions.

Based on many years of experience of supporting countries to develop sustainable financing HIV plans, UNAIDS has produced a methodological note addressed to experts in the area as well as managers and planners in charge of developing these plans. The United Nations Development Programme (UNDP), WHO, UNAIDS Secretariat and the Global Fund have also collaborated in developing a guidance note for countries to help them demonstrate value for money of their interventions in national strategic plans or proposals to donors.

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 analysis, effectiveness studies and sustainability of financing studies.

In close consultation with partners, WHO developed disease-specific national health accounts and agreements have been made, in principle, for these partners to report disease-specific expenditure on a yearly basis, with more detailed assessment at the beginning, mid-term and end of a strategic plan or donor funded programme cycle. In addition, WHO has finalized the OneHealth Tool as an intra-disease budgetary and planning tool, as well as supporting countries with budgeting for Global Fund concept notes.

## **MAJOR CHALLENGES AND HOW THESE WERE ADDRESSED**

Despite the increase in domestic investments for HIV, a considerable resource gap remains. This gap should diminish with the implementation of the Fast-Track strategy. AIDS funding dependency continues to be high especially in low- and middle-income countries, where approximately 50 out of 133 countries depend on international contributions for more than 75% of their responses.

Unpredictability, the flattening and potential decline of HIV external funding beyond 2015 is one of the most significant 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 and the Latin America and the Caribbean regions. These countries express serious doubts about the feasibility of paying for the response to HIV 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 of procurement services for all Global Fund grantees, a number of countries in Africa and Eastern Europe pay above the norm prices for antiretroviral medicines and HIV diagnostic tests, due mostly to inappropriate forecasting,

inefficient tendering procedures or small regional markets. Studies of service delivery costs at healthcare 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.

The past year has seen a number of countries developing investment cases as a means to plan for an efficient, effective and sustainable response. However, an overview of the cases finalized so far indicates that most countries rely on the notion of business as usual and have not identified innovative, cost-effective and efficient approaches in achieving their results. The different modelling tools used have provided some important insights but they have considerable limitations, especially with regard to accurately accounting and reflecting critical enablers, offering optimal resource allocation options for fixed budgetary envelopes or accounting for synergies. More importantly, we have not yet seen changes in resource allocation as a result of this modelling work.

## KEY FUTURE INTERVENTIONS

- 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. UNAIDS will publish a report on different financing options and scenarios for implementation of the Fast-Track strategy and ending the AIDS epidemic by 2030.
- 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 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 health coverage benefits 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 key affected populations.
- Continue to support countries in building 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/AIDS Economics Reference Group and to harmonize tools and approaches for measuring costs and benefits of HIV interventions and expenditure tracking between the main stakeholders.

**UNAIDS**

20 Avenue Appia  
CH-1211 Geneva 27  
Switzerland

+41 22 791 3666

[unaids.org](http://unaids.org)