
2014-2015 UBRAF thematic report

Closing the resource gap

CONTENTS

ACHIEVEMENTS.....	3
MAJOR CHALLENGES AND HOW THESE WERE ADDRESSED.....	4
KEY FUTURE INTERVENTIONS	5

ACHIEVEMENTS

In 2015 global resources available for HIV reached US\$ 21.7 billion, almost meeting the 2011 global target for HIV investments of US\$22 - 24 billion annually. Domestic resources surpassed international ones for the fifth year running. However, dependence on international aid remains considerable among low-income countries where domestic public sources account for only 11% of resources, compared to 84% in upper-middle-income countries.

The UNAIDS Secretariat and cosponsors worked towards closing the resource gap in the following ways in 2014-2015:

- Ending AIDS by 2030: In 2014, UNAIDS projected the resources needed to end AIDS by 2030. The process was consultative, including consultation with experts, modellers, regional representatives and main partners on defining global aspirational targets to end AIDS and the model to be used. Validation of global inputs by 36 countries that bear 90% of burden of disease and spending through regional consultations in East and Southern Africa (ESA), West and Central Africa (WCA), Asia Pacific (AP), Latin America (LA) and the Caribbean (CAR), as well as a series of consultations with civil society were carried out;
- In 2015, UNAIDS Secretariat additionally produced desk-reviews of fiscal space analysis for 28 fast track countries. Similarly, fiscal space analysis and funding option studies have been conducted in SADC and East African Community countries. The World Bank along with UNAIDS and the Global Fund organized regional workshops for allocative efficiency and sustainability modelling in Eastern Europe and Central Asia and West and Central Africa. UNAIDS Asia Pacific Regional Support Team (RST) initiated the process to take stock of the investment cases processes and their impact on national HIV funding and policies in several countries, together with exploring principles of allocative efficiency, greater integration of HIV financing into Universal Health Coverage (UHC) financing schemes and smooth transitioning from donor funding to countries' self-reliance. UNAIDS RST ESA in collaboration with WB, GFATM and PEPFAR have established a regional Advisory Committee on implementation efficiencies and sustainable financing;
- UNAIDS and the World Bank convened the HIV Economics Reference Group (ERG) and its respective technical working groups. The group advised on the global resource needs estimates for ending AIDS by 2030, positioning HIV into the UHC efforts as well Global Fund sustainable financing and transitioning policy and Equal Access Initiative;
- Chaired by UNAIDS, the ERG technical working group on Sustainable HIV Financing, has identified four domains for HIV financial sustainability: metrics for fair share in HIV financing between countries and donors, within countries and within donors, strategies to translate the metrics into increased domestic and

international resource envelopes, integration of HIV into national health budgets and schemes and smooth and managed transitions from donor financing to domestic financing for HIV. The group has 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. 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 tools;

- Evidence, strategic information, guidance and tools informing country and donor agendas have been produced and distributed by the Secretariat. AIDS financing and economic analysis have been at the centre of several UNAIDS reports – including the MDG 6 How AIDS changed everything report, new resource needs estimates, the fiscal space analysis and funding options for 28 fast track countries, and the cost of homophobia. UNAIDS has studied the relationship between critical enablers and ART coverage/AIDS mortality to determine their impact in the HIV epidemics. A database of all available HIV expenditure data for the period 2006 - 2013 for 33 priority countries has been developed and the different consultations of the Task Force on HIV Resource Tracking have laid the foundations for development of the Performance Oriented Resource Tracking and Investment Assessments, which will connect resource tracking with performance and outcomes of interventions also allowing the monitoring of the efficiencies of the response.

MAJOR CHALLENGES AND HOW THESE WERE ADDRESSED

Despite the increase in domestic investments for HIV, a considerable resource gap remains, although this gap should diminish with the implementation of the Fast Track strategy. AIDS funding dependency continues to be high especially in low- and lower-middle-income countries, where approximately 46 out of 128 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 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, Latin America and the Caribbean. These countries face challenging environments that threaten the feasibility of completely financing the HIV response with domestic public resources after the Global Fund and other bilateral and multilateral projects ran 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, Latin America and the Caribbean and Eastern Europe pay above the norm prices for antiretroviral drugs and HIV diagnostic tests, due mostly to inappropriate forecasting, inefficient tendering procedures, trade agreements 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 proper use of existing tools to yield valid, reliable and granular 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 ones finalised so far indicates that most countries rely on business as usual and have not identified innovative and cost effective and efficient approaches in achieving their results; or, they focus their investment cases on segments of the response without looking at the whole process. The different modelling tools used, have provided important insights but they have considerable limitations especially with regards 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 all this modelling work. To overcome these challenges the coordination between UNAIDS founding agencies has improved immensely and dialogue with countries and private partners have increased considerably. Innovative ways of involving private sector are also being explored.

KEY FUTURE INTERVENTIONS

The UNAIDS Secretariat will undertake the following key future interventions to address these challenges and others:

- 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 – in this regard UNAIDS will strengthen the capacities of National AIDS programmes and authorities to negotiate with the Ministries of Finance;
- Support countries to assess the feasibility and timing of integration of HIV financing integration into UHC financing schemes;
- Continue to support countries to 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) or other emerging mechanisms as appropriate and harmonize tools and approaches for measuring costs and benefits of HIV interventions and expenditure tracking between main stakeholders;
- Work closely with the private sector and social impact corporate investments for identifying new resources for financing for fast track.

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