



Independent observer  
of the Global Fund

## African Countries Adopt Innovative Financing to Bridge Gaps in AIDS Funding

African countries, which contain many of the communities most affected by the AIDS pandemic and receive the bulk of Global Fund money, are adopting innovative methods to finance the fight against the disease in the face of declining resources from the Fund in recent years.

Rwanda and Uganda, for example, now charge levies on mobile phone usage, and Nigeria and Kenya are considering doing the same. In 2011, Cameroon joined Congo, Madagascar, Mali, Mauritius and Niger in applying an airline levy. Nigeria is considering a domestic and international levy on all airlines of between \$1 and \$12 per passenger. Cape Verde and Comoros have imposed alcohol excise taxes. The Government of Zimbabwe charges a sur-tax on all institutional and individual income tax. In Zambia, a hospice is using innovative approaches to provide services to a population of 200,000 people.

Below, we provide more information on the measures introduced in Zimbabwe, Zambia and Uganda.

A [report](#) prepared by UNAIDS said that many countries are assuming “shared responsibility by increasing their domestic investments in health.” According to the report, domestic spending on HIV/AIDS in four African countries – Kenya, Namibia, Sierra Leone and Uganda – rose by more than 100% between 2006 and 2011. During this period, for the first time ever, the report said, domestic resources exceeded international AIDS spending.

The report summarised the present state of affairs as follows: “A high proportion of Africans on antiretroviral therapy (ART) are directly dependent on donor funding decisions for the drugs that keep them alive. This dependency creates enormous risks, since external aid remains unpredictable and can fluctuate considerably from year to year.”

According to an [article](#) on the website of Avert, an international HIV/AIDS charity, by 2010, funding from donor governments had dropped 10%, raising concerns about the future of HIV programmes. Although part of the decline was linked to exchange rate fluctuations, it was noted that, in some cases, there were deliberate decreases by some donors in the wake of the global economic crisis. Actual resources available in 2010 were \$6.9 billion, compared to \$7.6 billion in 2009.

## Zimbabwe

“We realised that we needed to come up with a plan to stem the tide of AIDS which was threatening to decimate our population instead of relying on donor funds, which are not reliable,” Dr Tapuwa Magure, Chief Executive Officer of Zimbabwe’s National AIDS Council (NAC), told GFO during the International AIDS Conference in Washington in July 2012.

Dr Magure was talking about the AIDS levy, also referred to as the National Aids Trust Fund, which was originally introduced in Zimbabwe in 1999.

The objectives of the AIDS levy are (a) to provide financial support for HIV interventions; (b) to establish and fund the secretariat functions of the NAC; and (c) to reduce Zimbabwe’s reliance on external funding. The AIDS levy is charged on individuals, companies and trusts at a rate of 3% of the amount of income tax assessed.

The allocation of funds from the levy to different programme areas is done through a NAC Board, and the allocation must be approved by the Minister of Health and Child Welfare. Currently, of the funds collected, 50% goes towards the provision of ART, 10% to prevention, and the rest to managing and supporting the logistics, evaluation, coordination and functioning of the accounts.

According to figures from NAC, in 2011 alone the government collected \$26 million through the levy.

“The AIDS Levy has proved so successful that other countries such as Kenya have sent representatives to Zimbabwe to study how it works so that they can also adopt it,” Dr Magure told GFO.

Editor’s Note: Despite this optimism, questions have been raised about how the funds are being spent. In October 2012, activists held a demonstration demanding the government account for the money it raises through the programme. See [here](#).

## Zambia

In Zambia, Our Lady’s Hospice in Kalingalinga, which supported by the Churches Health Association of Zambia, a Global Fund principal recipient, has had to find ways to raise money to make ends meet. The hospice has an antiretroviral treatment clinic, an HIV/TB and community outreach programme. The clinic has about 3,500 outpatients on its registers, and runs a 30-bed inpatient facility. It serves 200,000 people in a densely populated area of Lusaka.

Haripriya Eswaran, who volunteers at the clinic, said that the hospice has opened gym facilities to the general public for a fee; is renting out meeting rooms; and is even renting out smaller rooms to volunteers who work at the hospice.

Global Fund officials visited the hospice in 2012. “We are always on the look-out for ideas and examples of innovative financing... in an era of tightening resources, it can also mean finding simple ways to raise money locally to complement existing funding. We noticed one such case on a visit last week to Zambia,” the Global Fund [News Flash](#) reported.

## Uganda

In Uganda, in September 2012, the government announced a plan to establish a \$1 billion-dollar HIV trust fund. According to a working paper entitled “Justification for Increased and Sustainable Financing for HIV in Uganda,” the fund will generate cash through levies on bank transactions and interest, air tickets, soft drinks, cigarettes and beer. The levy will also target civil servants’ salaries, and corporate and withholding taxes.

The trust fund money will be used to finance services such as condom distribution, provision of ART, safe male circumcision and services related to the prevention of mother-to-child transmission of HIV.

The working paper on HIV financing in Uganda is on file with the author.

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