Aidspan
Independent observer of the Global Fund

CSOS CALL FOR TRANSITION PLANNING IN COUNTRIES FACING DECLINES IN GLOBAL FUND SUPPORT

The impact on upper-middle-income (UMI) countries of the decision to shift more resources to low-income countries remains the subject of heated and passionate discussions within the Global Fund ecology.

In several letters and briefs, civil society organizations (CSOs) have argued that the decision will harm key populations, especially marginalized groups such as sex workers, men who have sex with men, and people who inject drugs, because many governments are not inclined to provide them with services.

In an open letter concerning the situation in Eastern Europe and Central Asia, presented to the Board when it met in November 2014, CSOs called for the development of gradual transition plans for countries where the Global Fund is eliminating or significantly reducing funding.

By tightening its eligibility rules, the Global Fund has progressively limited access to funding for UMI countries since about 2010. There are 32 components from UMI countries that received disbursements during 2010-2013 that were no longer eligible for funding when the new funding model (NFM) was rolled out. See Table 1 for a complete list, and refer to the Aidspan report on the NFM allocations for further details.

Table 1: Components that have become ineligible for further support from the Global Fund

Countries and components	Countries and components

Components ineligible from Round 10 on:

Brazil: Malaria

Cuba: TB

Equatorial Guinea: HIV, malaria

Montenegro: HIV, TB

Serbia: TB

Components ineligible from Round 11 on:

Argentina: HIV

Bosnia & Herzegovina: HIV, TB

Columbia: Malaria

Dominican Republic: Malaria

Jordan: HIV, TB

Kazakhstan: HIV

Macedonia: HIV, TB

Mexico: HIV

Russian Federation: TB

Components ineligible from the TFM on:

Azerbaijan: Malaria

Brazil: TB

China: HIV, TB, malaria

Ecuador: TB, malaria

Iran, TB, malaria

Serbia: HIV

Tunisia: TB

Components ineligible from the NFM transition pl

Colombia: TB

Components ineligible as of the full NFM roll-out:

Uruguay: HIV

(Russia has since been categorized as a high-income country.)

The total disbursement during 2010-2013 for these 32 components was $632 million. One country, China, accounted for well over half of this amount.

Most of the components that became ineligible for further funding were still running grants. The exceptions were Brazil, whose TB component became ineligible at the time of the TFM (transitional funding mechanism) in 2012 and whose existing TB grant was scheduled to close that same year; and Uruguay, whose HIV component became ineligible as of the NFM roll-out in 2014 and whose existing HIV grants were scheduled to close in December 2013. Most of the other components had at least two years' notice that their funding would run out.

"The Global Fund Board, with participation of all partners, adopted a strategy in 2011 to shift a greater percentge of funding to low-income countries," Seth Faison, director of communications for the Fund, told Aidspan in a written statement. "Yet the challenges of concentrated epidemics in middle-income countries are very real and need to be addressed."

Among components that remained eligible for funding for 2014-2017 under the NFM, those in UMI countries experienced an overall increase of 12% in allocations compared to recent funding. However, there was considerable variation among and within regions.

UMI countries in Sub-Saharan Africa collectively experienced the largest increase (62%). South Asia was the only other region where UMI countries collectively showed an increase (7%). MENA was essentially flat. UMI countries in the other three regions – East Asia and the Pacific, the EECA and LAC – collectively experienced decreases ranging from 14% to 36%. See Table 2 for details.

Table 2: UMICs – Total allocation 2014–2016 vs. disbursed 2010-2013 (all regions) ($US)

	Allocation				Incre
Region	Existing funding	Additional funding	Total	Disbursed 2010-2013	Amo
East Asia & P.	116,504,739	4,674,915	121,179,655	189,447,847	-68,2
EECA	94,802,695	66,583,322	161,386,017	187,889,995	-26,5
LAC	75,068,820	104,147,396	179,216,215	223,754,371	-44,5
MENA	7,988,934	21,514,160	29,503,095	29,838,487	-335
South Asia	11,212,771	9,025,524	20,238,295	18,993,516	1,24
Sub-S. Africa	491,601,188	215,914,955	707,516,142	437,908,947	269,
TOTALS	797,179,147	421,860,272	1,219,039,419	1,087,833,163	131,

Regional tables showing all UMI countries are available here.

If one were to factor in the $632 million that was disbursed in 2010-2013 to UMI countries for components ineligible under the NFM, UMI countries would have gone from experiencing an 12% increase to facing a 30% decrease.

In the open letter, the CSOs said that “the overall tendency is a rapid scale-down as countries go through the country dialogues and face persistent political resistance and an unwillingness to pay for programs that target KAP, including harm reduction services for people who use drugs… The majority of EECA countries are already able to predict the lack of INVESTMENTS into harm reduction service delivery and advocacy at the country level in 2015- 2017.”

The CSOs acknowledged that they could use the declines in Global Fund support as a tool to persuade national governments to increase their INVESTMENTS. However: “The approach to funding allocation based only on the combination of disease burden and ability to pay fails to recognize the specific challenges of concentrated epidemics in MICs,” they noted.

As a result, they say that MICs that account for 18% of the global disease burden are only receiving 8% of the funding available under the NFM.

The CSOs called on the Global Fund “to make the formulas and calculations of country allocations public – including the disease burden scores and the ability to pay numbers for individual countries, as well as all the relevant quality criteria applied by the Global Fund Secretariat”.

The CSOs said that the Global Fund should take the lead in planning and executing a gradual transition to

national funding of HIV and TB in EECA, particularly for harm reduction programs. The CSOs added that technical partners, donor governments, national governments, and civil society should be partners in this process.

In November 2014, Open Society Foundations (OSF) issued a working draft of a brief in which it reinforced some of the arguments made in the open letter. In addition, OSF said that "the abandonment of key populations in middle-income countries" is contrary to the human rights principles and goals contained in the Global Fund Strategy 2012-2016. According to OSF, 70% of the world's poorest people live in countries classified as middle-income by the World Bank. It said that this proportion could grow to 87% by 2020.

The Equitable Access Initiative (EAI) established by the Global Fund and several partner agencies in 2014 is examining, among other things, factors in addition to gross national income that could be used to classify countries. One such factor might be percent of people living in poverty. The EAI is not expected to produce final recommendations until the first quarter of 2016.

"As the Board looks forward and prepares its next strategy, to be finalized in 2016, this issue is already being considered," Faison said. "It will require a collective effort."

The information in this article on the components that became ineligible for funding and on how UMI countries fared in the 2014-2017 allocations was taken from "The New Funding Model Allocations: An Aidspan Analysis" available here. Further information on the EAI is included in the Report of the Executive Director prepared for the November 2014 Board meeting, available here (see Paragraphs 56 and 57.).

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