



Independent observer
of the Global Fund

IS SOUTH AFRICA TRANSITIONING?

In a recent ICASO [discussion paper](#) called “Handing over Health”, a review of sustainability and transition literature is complemented by country case studies from Serbia, Thailand and South Africa. GFO has [previously reported](#) on the Thai case study from this paper.

The South African example is perhaps the most interesting of the three, as it is not a country that typically enters the conversation on transition. South Africa is a middle-income country, prompting many funding partners to either leave or reconsider their role (often referred to as a donor “transition”). Britain’s Department for International Development (DfID) stopped direct aid to South Africa in 2015. The United States President’s Emergency Plan for AIDS Relief (PEPFAR) is currently in the midst of a gradual transition from providing direct clinical services towards being a technical support partner to the South African government for things like systems strengthening and health innovation.

Unlike DfID and PEPFAR, Global Fund grants are determined by a systematic allocation methodology, for which a country’s disease burden is an important weight. With nearly 7 million people living with HIV and 450,000 TB cases each year, South Africa remains eligible for significant investment from the Global Fund for these two diseases. In April 2016, the country began implementing a three-year Global Fund grant worth some \$314.5 million. GFO has previously reported on the [concept note development process](#) and the [implementation arrangements](#) for this new grant.

But a lot is different about this new grant. First, the level of investment from the Global Fund is significant less than it has been in previous years (the discussion paper says it was cut in half, but a source tells Aidspace it was closer to a third). According to the discussion paper, the reduced funding envelope kick-started some of the thinking about how to sustain certain elements of the response with less external support. Difficult decisions were made during concept note development; certain interventions were cut

from the Global Fund program while many others were narrowed in geographic scope. The Global Fund would no longer be supporting orphans and vulnerable children or medical male circumcision, and would be funding a much smaller portion of South Africa's HIV treatment bill.

Summarizing this change, the [South African TB/HIV concept note](#) states that:

“The focus of this request for funding is to promote increased proportional investment in key populations from the Global Fund, while government assumes greater accountability for its treatment program. This is an important phase in the context of transition, which must be managed carefully by both government and development partners in the era of shared responsibility.”

Transitioning donor-funded programs to domestic financiers is not always cut and dry. “It’s not the money that’s the problem. It’s programmatic sustainability,” says a South African key informant quoted in the discussion paper. “There’s no guarantee that if Treasury fills the gap from donors that the National Department of Health will spend it on the same things.”

Along with transitioning out of funding certain programs, the Global Fund also transitioned out of many geographic areas of the country that were not regarded as high-impact. As a result, a South African news outlet reported that more than 100 local organizations would have to either shut their offices or cut back programs significantly (see [“Donor gives up on rural needy”](#)).

According to the ICASO discussion paper, South Africa submitted a brief sustainability plan along with its last concept note, after being encouraged by the Global Fund country team to do so. The sustainability plan says that the country is taking steps to reduce its donor dependency for core interventions, including HIV testing services, anti-retroviral therapy and prevention of vertical transmission. The document also highlights how South Africa has commenced the process of exploring innovative financing options such as social impact bonds and increases to taxes on alcohol and tobacco.

The discussion paper says that developing a more consultative and robust sustainability and transition plan should be a priority for South Africa over the coming years.

The Global Fund’s new [sustainability, transition and co-financing policy](#) says all countries should be doing sustainability and transition planning, regardless of where they sit on the development continuum. The policy encourages all countries to integrate sustainability and transition plans into their national disease plans/national strategic plans (NSPs).

South Africa’s current National Strategic Plan (NSP) on HIV, STIs and TB expires this year and the country is gearing up to write its next plan for the period 2017-2022. Will this new plan contain considered planning on sustainability of the country’s HIV and TB response? The South African National AIDS Council has released a [discussion document](#) to stimulate engagement around the NSP development process. The document contains a proposed outline of the new NSP, including a section on sustainable financing. This section says that a financing plan will be developed for the NSP that articulates how the national response will be financed for the NSP period and beyond. The plan will outline the financing role of all departments in the South African government as well as development partners and the private sector.

The implications of the new NSP and its proposed sustainability plan are significant for South Africa’s Global Fund program. Aidsplan will continue to monitor this process and provide updates on decisions and results.

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