



Independent observer  
of the Global Fund

## CUBA TRANSITION FUNDING REQUEST TO THE GLOBAL FUND LAUDED AS EXAMPLE FOR THE REGION

In line with the Global Fund's eligibility policy, Cuba is no longer eligible for regular Global Fund financing, and so it had submitted a funding request tailored to transition for its HIV component. The funding request was well received by the Technical Review Panel (TRP) and the Grant Approvals Committee (GAC), who "congratulated Cuba for its HIV program and noted the need to document successful examples such as this one." In October, the Board approved funding for the grant emanating from the request. The principal recipient (PR) for the grant, which has a start date of 1 January 2018 and an end date of 31 December 2020, is the UNDP.

(Some of the information for this article came from the Grant Review and Recommendation Form, a copy of which was obtained by Aidspace.)

Cuba undertook a comprehensive transition readiness assessment (TRA) without the help of external consultants. The TRA was based on the key priorities identified by the country as well as an analysis of existing challenges and potential risks. Once completed, the TRA informed the development of a transition work plan which was the basis for Cuba's transition funding request.

Cuba is rather unique among its peers in the region. The national HIV response is fully embedded into its extensive national health system, and financing for health is predominantly derived from the national budget, accounting for 22% of public spending and 9.7% of gross domestic product (GDP) according to figures provided in the funding request. Although the decline in Global Fund support is expected to be offset – at least in part – by an increase in domestic funding, there are concerns about Cuba's ability to tap external sources of funding should the country's political isolation continue.

The total amount approved for the grant is \$13,253,225, which is the same as the allocation amount. The applicant submitted a prioritized above allocation request (PAAR) in the amount of \$2,953,900, all of which was deemed by the TRP to be quality demand. During grant-making, efficiencies in the amount of \$759,000 were identified; the savings were used to fund some of the PAAR interventions.

### Notable strengths

The TRP reviewed the grant in May 2017 and considered “the funding request to be technically sound and strategically focused as it is based on a comprehensive situational analysis, and including the most recent available data and lessons learned during implementation of previous grants.” The funding demonstrates a clear understanding of epidemiological and demographic patterns with a view to achieve the 90-90-90 targets, the TRP said.

The TRP found the request to be in alignment with the National Strategic Plan (NSP) and said that it has correctly identified critical programming gaps. The request addresses key populations, the TRP added, and targets interventions needed to achieve high impact. The TRP also noted that the “funding request shows a clear plan for transition, consistent plans to sustain the gains achieved during the Global Fund support and evidence of capacity to absorb the financial and technical requirements to ensure sustainability.”

It is interesting to note that although service delivery and the procurement of health products is discouraged (though not prohibited) according to the [Funding Request Instructions: Tailored to Transition](#), there are a number of activities related to each area. These include the purchase of condoms for social marketing; the purchase of CD4 and viral load reagents; treatment for opportunistic infections; and the continuity of prevention efforts. That said, the grant does include a plan for the government to absorb these activities as well as the provision of all antiretrovirals (ARVs) by the end of the grant.

Additionally, during the first year of the grant, Cuba will develop the next National Health Strategic Plan (for 2019-2023). This plan will integrate all Global Fund transition activities and actions to mitigate risks, and will also increase resources to facilitate the gradual takeover of programming by the government.

### Weaknesses, gaps and action steps

The TRP identified five issues regarding the funding request. The issues were discussed by the Secretariat and the PR during grant-making. Below we present a summary of each issue and the outcome after grant-making.

**Issue:** The TRP suggested that the social marketing approach to condom distribution be extended to include key populations that currently receive condoms for free, as a means of generating savings.

**Outcome:** The PR explained its differentiated approach to condom distribution, to the satisfaction of the country team.

**Issue:** There is still a significant gap between current HIV testing levels and what is required to achieve the 90% target. The baseline HIV testing indicators are 25% for men who have sex with men, 36% for sex workers and 24% for transgender people.

Outcome: This issue was only partially addressed during grant-making. When it raised the issue, the TRP suggested that Cuba test, validate and promote alternate, complementary strategies to improve HIV testing coverage among key populations. The PR responded that Cuba will support community-based rapid testing with links to health care facilities to confirm the results. This issue will need to be further addressed during implementation; the country team said that it will monitor Cuba's strategy

Issue: While the funding request presents very high numbers for treatment enrolment and retention, the high number of new cases registered each year may indicate ongoing transmission. The TRP said that in-depth analysis of treatment cascade data is needed to ascertain the relationship between high treatment coverage and the high number of new cases.

Outcome: This issue is still pending and will be addressed during the first year of implementation with support from the UNAIDS regional office and other partners. Transition funding will be used to carry out an independent impact analysis to validate the national strategic information and data systems in place, validate coverage rates and assess the impact of the national HIV response on the epidemic.

Issue: The TRP identified some risks for the sustainability of community-led prevention programs – namely, the transition plan does not provide detail for the additional resources requested for the operational costs of the current programs.

Outcome: This was partially addressed during grant-making. The CCM agreed to conduct an analysis of possible contractual mechanisms and means to diversify resources to ensure adequate support to civil society and community groups for operational costs beyond infrastructure and commodities. This will be monitored through the addition of “predictable funding for civil society and community groups” to the objectives in the performance framework. Completion of the analysis will be one of the milestones.

Issue: Although there is strong political will and financial commitment to ensure the gradual transfer of responsibilities and funding from the Global Fund, it is still unclear how the transfer of the role and functions of the UNDP as PR will be carried out.

Outcome: UNDP has developed a clear roadmap for the transfer of responsibilities in coordination with country stakeholders such as the Ministry of Health and Operating Groups for the Prevention and Fight Against AIDS (GOPELS). UNDP will provide annual progress reports to the country team.

#### Efficiencies, PAAR, and sustainability

Budget savings of \$759,000 were identified during the grant-making process, primarily as a result of a reduction in human resource costs for the PR. The savings will be reinvested into interventions in the PAAR. Many of these interventions are related to community and key populations. They include \$180,000 to support technical assistance for community groups and civil society, and \$175,000 for community monitoring and support towards comprehensive prevention programs for transgender people and sex workers.

Ultimately, the final amount added to the Unfunded Quality Demand (UQD) Register is \$2.7 million. Of the 13 interventions added to the register (down from 15 in the PAAR), the largest amounts were for treatment monitoring for drug resistance and viral load, improving infrastructure for the provision of services, and empowering communities “in favor of” men who have sex with men.

Table: Overview of funding landscape for 2018-2020 (\$ million)

Component: HIV
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Estimated funding need for program	285.4	As % of funding need	Change vs. previous period
Total domestic resources	260.4	91%	Increase
Total external resources (non-GF)	0.0	0%	No change
Total Global Fund resources	13.3	5%	Decrease
Total resources available	273.6	96%	Increase
Unmet need gap	11.7	4%	

According to the review and recommendation form, Cuba's transition work plan enhances the sustainability of the response by supporting the continuity of key interventions to effectively address the epidemic. These interventions include effective prevention efforts focusing on key populations, ambitious ARV coverage goals, and efforts to enhance the meaningful participation of civil society. The funding request and transition work plan also include (a) a strong commitment to increase domestic resources for the HIV response in the current National Strategic Plan (which ends in 2018) as well as in the following one for 2019-2025; and (b) significant co-financing commitments to retain and scale up prevention and treatment gains. See the table for an overview of the country's funding landscape for HIV for the next period.

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