



Independent observer
of the Global Fund

GLOBAL FUND REMINDS UKRAINE OF ITS COMMITMENT TO TAKE OVER THE FUNDING OF MST

The Global Fund has written to the Government of Ukraine reminding it of its commitment to gradually take over the provision of methadone substitution therapy (MST) – also known as substitution maintenance therapy (SMT) or opioid substitution therapy (OST) – and reiterating that Ukraine could lose up to \$27 million of its allocation for 2014-2016 if it does not comply. That amount is 15% of the total allocation.

In a letter to H.E. Pavlo Rozenko, Vice-Prime Minister – George Sakvarelidze, the Senior Fund Portfolio Manager for Eastern Europe and Central Asia, said:

“We would like to seek for your support in providing to GF the official proof of intention through demonstrating the fund allocation for the MST programme by the Government of Ukraine as soon as possible and not later than November-December 2016. Inability to fulfill the conditions that are part of the grants’ confirmations will obligate the GF to withhold the above-mentioned allocation and deny utilization of these funds.”

(There is a link to the letter at the bottom of a [statement](#) from Alliance for Public Health [APH]; see below for more information on the statement.)

Under the Global Fund’s willingness to pay (WTP) provisions, which are supplementary to the counterpart financing commitments, Ukraine was required to invest \$28 million. (It actually invested much more than that: \$124 million.) As part of its WTP investment, the government agreed to increase domestic funding for the MST program. Specific conditions were built into the grant agreement, as follows:

1. “On or before 31 December 2015, the Grantee shall budget funding for substitution maintenance therapy (the “SMT”) program and implement the SMT program for the duration of 2016, in accordance with the target of the NAP [National AIDS Program] 2014-2018.”
2. “On or before 31 December 2016, the Grantee shall budget funding for the SMT program and implement the SMT program for the duration of 2017, and provide evidence that domestic funding for 2016 has been effectively provided in accordance with the target of the NAP 2014-2018.”

(The grant agreements, officially known as “grant confirmations,” for the three Ukraine grants are not posted on the Global Fund website. Aidspan obtained a copy of the grant confirmations during its research for a report on [The “Fair Share” of Shared Responsibility: An Aidspan Report on Willingness to Pay.](#))

In his letter, Sakvarelidze explained that savings found in the grant in 2015 and 2016 were reinvested in the MST program, thus allowing for uninterrupted service delivery for about 9,000 patients to the end of the first quarter of 2017. However, Sakvarelidze said that “starting from second quarter of 2017, the Global Fund grants will cover only 2,300 patients and the Government of Ukraine will be taking over about 7,000 patients that are currently on the MST.” Sakvarelidze added that the government will also be responsible for achieving the national target of providing MST services for 17,593 injecting drug users.

Since there is no longer a problem for 2016, the Global Fund is concentrating instead on the second condition, which applies to 2017. The Fund wants to see some proof that the government is planning to meet its 2017 commitment.

GFO is not aware of any official reply by the government to the letter from Sakvarelidze. However, the letter indicates that Sakvarelidze is scheduled to meet government representatives during the week of 11 September.

In a [statement](#) posted on its website on 23 August, APH said that OST programs were supposed “to be co-funded from the state budget back in 2014, and in 2017 they were expected to be fully covered by the state. However, in the 12 years of OST program implementation in Ukraine, not a single pill was ever procured from the state budget.”

According to APH, part of the problem is that there have been a number of changes in the government recently. No meetings of the National TB/HIV Council have taken place since the formation of the new Cabinet of Ministers of Ukraine in April 2016. APH said that officially the Council is still chaired by the former Vice-Prime Minister of Ukraine, Viacheslav Kyrylenko, who has never taken part in its meetings.

APH said that in 2015, obligations to the Global Fund on behalf of the Government of Ukraine were signed by the former Minister of Health, Oleksandr Kvitashvili.

Pavlo Skala, Associate Director of Policy and Partnership for APH told GFO that since the original commitments were made, there have been two new ministers of health, the second of which was appointed only on 1 August 2016. “The Alliance is planning to start a new advocacy campaign to update a newly appointed leadership on the ministry of health,” he said. “Since the Global Fund team plans its visit to the Ukraine in mid-September, we are here preparing the grounds for that meeting.”

The Global Fund has withheld portions of allocations at least twice previously (in Bangladesh and Guatemala), but for different reasons. These countries were too slow in paying back recoveries identified during Global Fund audits (See [GFO article](#)).

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