



Independent observer
of the Global Fund

Global Fund grant to Belarus in 2015 was conditional on the government developing a social contracting mechanism

A social contracting mechanism which would allow the government to contract with NGOs to deliver prevention programs to key affected populations in Belarus is “under construction.” It is a slow process and there are still some uncertainties about how well it will function.

Background

A mechanism allowing the government to co-finance social services and projects being implemented by NGOs has existed in the Republic of Belarus for a number of years and has been regulated under the Social Services Law. However, under this law, it is not possible to financially support the provision of NGO-based HIV prevention services among key affected populations.

An analysis carried out by Belorussian NGO “ACT” in 2016 (on file with the author) identified the following barriers to government financing of NGO-based HIV prevention activities imposed by the Social Services Law:

- subsidies are provided only for salaries;
- subsidies for social projects are provided only where the government commits to paying 50% of the costs (or less); the NGO commits to paying at least 50% of the costs; and the NGO possesses funds to cover its share;
- subsidies were available only for services to be provided to “citizens in difficult life situations”; people who inject drugs (PWID), sex workers and men who have sex with men (MSM) are not considered to fit this definition under the legislation;
- the Social Services Law does not cover health care; there is no legislation covering social

- contracting for health care and, therefore, HIV prevention services;
- “outreach worker” is not among the types of jobs listed in the Belorussian official job classifier, so it is not possible to include salaries for them within social contracting under the Social Services Law; and
- under the Social Services Law, services can be provided only upon the written consent of the recipient of the services, so services cannot be accessed anonymously, which effectively makes it impossible to provide services to key affected populations.

In November 2015, a grant agreement in the amount of \$12,309,479 to support the HIV response was signed between the Global Fund and the Republic of Belarus for the period 1 January 2016 to 31 December 2018. According to the Grant Confirmation document (on file with the author) signed between the Global Fund and the Government of Belarus, among other matters, the parties agreed that in order to support prevention services for key populations before 30 September 2016 the Government of Belarus has to ensure the development of a social contracting or other relevant financial mechanism allowing NGOs to receive governmental funding for these purposes.

It is important to mention here that under the new funding model introduced by the Global Fund in 2013, before the grant confirmation (previously called the grant agreement) is signed, a Framework Agreement outlining all of the terms and conditions of the grant has to be signed between the Global Fund and the relevant government. The grant confirmation becomes an integral part of the Framework Agreement.

“Introduction of the social contracting mechanism for HIV prevention into legislation became possible mainly due to the fact that the Framework Agreement signed between the Global Fund and the Belorussian Government in October 2015 has the status of law in the Republic of Belarus. The grant agreement which was signed by the Global Fund and the principal recipient on behalf of the Ministry of Health is an integral part of the Framework Agreement. Therefore, the obligation to establish the relevant social contracting mechanism was confirmed by the Belorussian government legislatively,” explained Elena Fisenko, Head of the HIV division of the Global Fund Grants Management Department in the Republican Theoretical and Practical Centre for Medical Technologies, Informatization, Management and Economics of Healthcare of the Republic of Belarus.

This obligation on the part of the government resulted in the inclusion in early 2016 of a number of HIV-related activities, including those focused on key affected populations (KAPS), into Sub-Program 5 (“HIV prevention”) of the Governmental Program “Health of Nation and Demographic Security of the Republic of Belarus” for 2016–2020 — implying that the provision of governmental subsidies to NGOs for implementation of the activities would start in 2017. Necessary funds were budgeted for these purposes, but this was done before the legislation to allow for social contracting was actually being developed.

Protracted process of the mechanism introduction

To ensure the development and introduction of the proper social contracting mechanism in the health care sphere allowing NGOs to receive governmental funding for HIV prevention activities among KAPs, the process of changing the relevant legislation (The Law on Prevention of Socially Communicable Diseases and HIV) was initiated in 2016. It took more than a year to adopt the necessary amendments and pass the new version of the law — the process was completed only in July 2017. Moreover, an additional six months were needed to prepare and enact all necessary subordinate legislation once the law comes into effect on 19 January 2018.

Initially, this mechanism was expected to start working by the end of 2016, but this never happened.

“Changes in legislation happen very slowly. It is really fast that in two years we managed to have legislation changed and prepare all regulations and procedures for approval of the social contracting mechanism in health care. It could have been done in 2016 only if relevant changes in legislation had been launched in 2014–2015,” said Valery Zhurakovski, an expert in the NGO “ACT,” a local organization advocating for introduction of the social contracting mechanism in health care, and particularly in the sphere of HIV prevention since 2010.

Consequences of the delay for HIV prevention programs

The government’s Program for HIV Prevention 2016–2020 included a plan to start funding NGOs to deliver services through a social contracting mechanism starting in 2017. It was expected that the Global Fund would remain the main donor of these programs in 2016, and that its share of the funding would then start to decline, finally ending by 2019 — whereas government funding through the social contracting mechanism would start increasing in 2017, and would continue to grow, thus ensuring a smooth transition from the Global Fund’s support of HIV prevention programs among key affected populations to full government funding by 2020 (see table). But this didn’t happen in reality.

Table: Planned budget of the Governmental Program of HIV Prevention for 2016–2020

Objectives of the program: Reduction of HIV transmission among populations with high risk of infection (inject partners; male and female sex workers; MSM; prisoners; adolescence practicing high risk behaviors.

Ordering party	Sources of funding	Amount of funding (Belarus rubles)			
		Total	2016	2017	2018
Oblast government, Minsk government	Global Fund	81,300,200	35,925,200	27,713,400	19,661,600
	Local budgets	162,641,400	548,300	17,087,400	33.612,800

Because the social contracting mechanism was not yet developed, the funds being planned for 2017 under the Governmental Program on HIV Prevention for 2016–2020 for support of NGO-based HIV prevention activities were spent on other needs that the regional governments deemed important.

Nevertheless, a government financial contribution to prevention services for key populations in 2017 was partly ensured through supporting the work of 10 HIV prevention units based in government healthcare facilities that provided anonymous counselling to people who use drugs. This partially reduced the additional financial burden on the Global Fund grant in 2017 caused by the necessity to ensure the provision of a decent level of prevention services in the absence of government funding through the social contracting mechanism.

“As it is clear that in 2018 prevention services will again not be fully covered by government funding through the social contracting mechanism, the Ministry of Health decided to considerably increase its purchase of ARVs from the governmental budget in 2018. Thus, funds initially budgeted for that purpose within the Global Fund grant could be reprogrammed to support prevention services among affected populations,” Fisenko said.

Social contracting mechanism

According to the government’s draft “Regulations on the conditions and procedures of social contracting in the area of socially communicable diseases and HIV prevention” (on file with the author), social

contracting will be implemented by providing NGOs with “subsidies” from local budgets for services and (or) projects aimed at preventing socially communicable diseases and HIV. (In Belarus, all official documents use the term “subsidies” to describe the funding available through social contracting.) Subsidies for the implementation of projects will be granted under condition of partial co-financing by the NGOs, likely at the level of 20%. The subsidies may cover a wide range of expenses, including: NGO employees’ salaries; administrative expenses (i.e. rent, stationery, bank expenses, office equipment maintenance); project activities; and the purchase of items to be distributed (such as syringes, needles, sterile napkins, motivation packs, lubricants, condoms and information materials).

Social contracting will be implemented on the local (oblast) level. The contracting will be managed by the oblasts, particularly the health care committees which will be responsible for announcing tenders. Funds will be provided via the relevant government programs — in the case of HIV prevention, the Governmental Program on HIV Prevention for 2016–2020. For each tender, the process will produce a winning bid (or bids) from among the NGOs that participated, after which the oblast will arrange for contracts to be signed and the subsidies to be provided.

It is expected that contracts with the implementers could be for a period of up to five years, depending on the framework and timelines of the government programs. However, Fisenko told Aidsplan that funding will most likely be provided one year at a time.

The draft regulations do not mention specific target groups. ACT’s Valery Zhurakovski explained: “The epidemiology can vary from oblast to oblast and thus it will be up to each oblast to determine what the target groups are for the funding.”

According to the draft criteria for evaluating the tender proposals (on file with the author), among the factors to be considered are (a) the work experience of the organization in the area of socially communicable diseases and HIV prevention; and (b) experience working with the representatives of the target groups — i.e. the intended recipients of the service.

Potential obstacles for the introduction of the social contracting mechanism

Experts outlined some of the problems that may be encountered when introducing the social contracting mechanism. One potential problem is related to decision to implement the mechanism at the oblast level rather than the republican (i.e. central government) level. “In local budgets, funds are allocated first to certain obligatory budget lines,” explained Irina Statkevich, CCM member, and Head of the local NGO “Positive Movement.” “Social contracting is not one of those lines. Thus, in the event of a budget deficit, funding within the local budget would be spent first on the priority areas, and the activities to be supported within the social contracting mechanism can appear to have no financing at all if there are not enough funds left over.”

Another possible problem is that the majority of the local bureaucrats have no previous experience with social contracting, especially in the area of HIV prevention for key affected populations. And the idea to allocate funds to support the work among such groups as PWID, MSM and sex workers may seem as a quite a revolutionary idea for most of them.

“I am not sure about authorities’ readiness to name in tendering specifications the target groups in a way we do,” Zhurakovski said. “There was no precedent up to now to have them in official documents.”

Zhurakovski added: “Also, in some places, local authorities consider the grown-up working population to be the target group for HIV prevention programs. In such cases, workplace interventions to prevent HIV may become the priority for them. That’s why some local bureaucrats may decide to allocate part of funds planned within the government program for these purposes.”

According to Elena Fisenko, an additional problem is that the budget for 2018 has already been set, based on laws and regulations already in effect. The amendments to the law introducing social contracting in prevention of socially communicable diseases and HIV are effective only as of January 2018. Thus, no oblast government has budgeted funding for social contracting for 2018. “In practice, it will mean that approximately in February or March 2018, oblast governments will have to change their already approved budgets which, in any case, can be done only on a quarterly basis. And the best-case scenario is that money for social contracting will appear in local budgets starting from the second quarter of 2018,” said Fisenko.

The role of civil society

The importance of the role of civil society representatives in the introduction of the social contracting mechanism for socially communicable diseases and HIV prevention in Belarus deserves to be mentioned separately. On the one hand, experts who contributed to this article highlighted the transparency of the process of developing the social contracting mechanism by the authorities, as well as the possibility for NGO representatives to participate in this process. On the other hand, for a number of years, civil society representatives were actively advocating for adoption of this law and also for keeping to the principles of NGOs work in providing prevention services to key affected populations within the framework of this mechanism. The NGO “ACT” merits a special mention as it has been leading the advocacy work on social contracting in HIV prevention for many years and had vast experience in dealing with the Ministry of Labour and Social Protection in the context of social contracting implementation under the Law on Social Services. For this reason, the representatives of ACT took an active part in development of all key documentation on social contracting in Belarus, including the development of relevant legislation, bylaws, drafts of resolutions of the Council of Ministers, and so on.

It should also be mentioned that advocacy activities of ACT with respect to a social contracting mechanism have been financed for a number of years from Global Fund grants. This can serve as a good example for how the Global Fund could successfully contribute in middle-income countries to the transition from donors’ support of HIV prevention services for key affected populations to national funding.

“Our work is focused not only on the social contracting. We are also advocating for the creation of the enabling environment for the work of NGOs in the country in general, including exploring other options for attracting funding — such as foreign grants or donations, charity and also changes in the approach for the taxation in this sphere,” Zhurakovski said. “We are in active on-going communication with the relevant department regarding the possibility of changing the procedure for NGOs for registration of foreign grants or donations in Belarus by lowering the threshold. We work closely with the Ministry of Finance, the revenue authority and Parliament regarding changes in the approach to taxation of local fundraising. We understand that a social contracting mechanism is not able to solve all the problems and cover all needs. Organizations will nevertheless need other resources and it is necessary to make it easier for them to get the access to the resources needed as well as to facilitate this process.”

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