



Independent observer  
of the Global Fund

## LAC region remains overly dependent on funding from the Global Fund and other external donors, says new report

The Latin America and Caribbean (LAC) region remains overly dependent on external funding for HIV programs targeting key populations, and there is a need for more concrete and detailed plans to transition away from this dependency. These are two key Global Fund–related themes in a recent report by the Pan American Health Organization (PAHO) and UNAIDS, [HIV Prevention in the Spotlight: An Analysis from the Perspective of the Health Sector in Latin America and the Caribbean](#).

The report warns that the region is off target when it comes to reducing the number of new infections. The UNAIDS Fast Track target is a 75% reduction between 2010 and 2020. Instead, the rate has remained steady at 120,000 new infections per year from 2010 to 2016 with the vast majority (64%) of new infections occurring among key populations such as men who have sex with men (MSM), transgender people, people who use drugs, and sex workers and their clients and partners.

The report highlights the countries' achievements and challenges in HIV prevention and implores them to bolster their efforts in this area. The report primarily uses information from the 2017 country reports for Global AIDS Monitoring (GAM), a database maintained by UNAIDS, and also relies on information provided by civil society.

### Dependency on external funding

Countries in the region have followed the Global Fund's requirement that grant applications from countries with concentrated epidemics should focus on key populations. The Global Fund finances HIV grants in 18 LAC countries, of which all but one focus on key populations. The Fund also provides money for a regional grant focused on HIV prevention among key populations in the Eastern Caribbean. While these

grants have resulted in increased access to prevention for key populations, they have not been accompanied by increases in domestic funding for these interventions.

For example, one of the Global Fund's key interventions has been to invest in the purchase of prevention packages. The packages contain male condoms; in 80% of the grants, they also include lubricants. At present, nearly all countries in LAC provide free condoms to young people, MSM, sex workers and transgender women. The majority of countries also provide lubricants. However, only one-third of the countries report purchasing condoms with domestic resources; the remainder use funds from the Global Fund and PEPFAR. Strikingly, in many countries, no lubricants are purchased with domestic resources; they are only provided by the Global Fund. What's more, even with external assistance, civil society informants report that the number of condoms and amount of lubricant cannot meet the needs of key populations. This means that HIV prevention efforts for key populations are especially financially dependent on external donors and particularly vulnerable to external donor withdrawal should governments not step in to fill in the gap.

Based on data from 33 countries surveyed by UNAIDS (including six countries that receive no Global Fund grants at all), only 12% of total HIV expenditure comes from external sources. However, when one looks at HIV prevention for key populations, all but six countries depend to some extent, but to widely varying degrees, on external funding. For example, in the Bahamas, 95% of prevention for key populations is funded by the government. This is in stark contrast to Haiti, where the government only funds 5% of prevention for key populations. Among countries that report that they have prevention programs geared to key populations, only a small fraction of the total prevention budget (7%) is allocated to interventions for key populations despite the fact that they are the key to ending the epidemic.

#### Need for detailed transition plans

The report stated that HIV prevention transition plans are needed in three-quarters of the countries in the region. To have any hope of making a dent in new infections, the report said, the proportion of prevention funding allocated to key populations in the region must be increased from 7% to at least 25% by 2020, in line with regional prevention targets agreed to at the Second Latin American and Caribbean Forum on the HIV Continuum of Care in 2015.

Additionally, civil society must be engaged and supported as trusted partners that are uniquely positioned to reach key populations with prevention activities, the report said. Government support (financial and otherwise) to civil society organizations is frequently inadequate. The report recommended that there be clear mechanisms to channel funds from the public purse to civil society and that where such mechanisms already exist, they should be strengthened by implementing fair and transparent systems for selecting and contracting service providers — the goal being to move incrementally closer to the UNAIDS Fast Track target of ensuring that 30% of services are community-operated by 2030.

Critically, the report said that it is important for countries to have a clear sense of the scale of expenditure required to address the unmet prevention needs of key populations. According to the report, there are no reliable country estimates of the cost of funding all prevention needs, including services that civil society provides for key populations. Some countries struggle to quantify how much money is actually spent on interventions for key populations. One key to resolving this, the report stated, is improving the quality of information on the financing of HIV prevention — for example, by institutionalizing the development of [national health accounts \(NHAs\)](#) and systematic [national AIDS spending assessment \(NASA\)](#) exercises to better monitor progress and gaps.

With several countries indicating low levels of prevention spending on key populations, a high degree of dependency on international donors, and an HIV incidence rate that refuses to bend downward, it is fair to

conclude that LAC will miss the mark on achieving UNAIDS' prevention targets. Given the Global Fund's large role in investing in prevention services for key populations and the precariousness of those investments going forward, the report provides ammunition for sustained advocacy to hold governments to account for investing in key populations.

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