African Countries, Global Fund, Affirm the Essential Role of HIV Resource Tracking in Sustaining the Response

Introduction

The US$14 billion raised for the Global Fund's Sixth Replenishment seeks to spur domestic investment of US$46 billion through co-financing. HIV resource tracking at country level is essential to both make and monitor these domestic commitments.

"Resource tracking is very important for the Global Fund," said Dr. Nertila Tavanxhi, Senior Manager for Health Financing Country Support at the Global Fund. "Reporting on compliance for domestic co-financing is very key. Financial data are very important for us to see the implementation of our Sustainability, Transition and Co-Financing Policy."

On the flip-side, the Global Fund uses HIV expenditure data from countries to model its replenishment investment cases, mobilizing (mostly) external funding for low- and middle-income countries. In addition to modelling the potential impact of future investments, John Stover at Avenir Health, says that donors also regularly ask them to run scenarios to see what happens if funding goes down by a certain percentage. “With financial data, we can show the impacts of these cuts,” he said. “This [evidence] is what resonates with governments and donors.”

These and other topics were discussed at a recent workshop of countries involved in HIV resource tracking in Cape Town, South Africa, co-convened by UNAIDS and the Global Fund.

From 2-4 October 2024, delegations from 10 countries in East and Southern Africa (Botswana, Eswatini, Ethiopia, Kenya, Malawi, Mozambique, Namibia, South Africa, Uganda and Zimbabwe), alongside technical and funding partners, dwelt on the transformative power of HIV financial data, primarily generated by their National AIDS Spending Assessments (NASA) for their own national planning and budgeting purposes, but also for co-ordination of, mobilization with, and reporting to, development partners, not least, Global Fund.

How Resource Tracking is Used

National HIV expenditure tracking plays a crucial role in informing key components of Global Fund processes (Figure 1).

Figure 1. Domestic resource mobilization (DRM) data feed into critical pieces of the Global Fund model

Source: Global Fund Co-financing Update, December 2023

At country level, HIV resource tracking data inform key documents such as National HIV Strategic Plans and HIV investment cases, which form the basis of Global Fund funding requests. For example, Namibia’s 2020 HIV Investment Case uses National AIDS Spending Assessment (NASA) data to sense-check the Goals Model resource needs estimates, making sure that the baseline unit costs and coverage estimates in the model are consistent with past expenditure exercises. Namibia’s Investment Case was used to determine the approach to prioritization of the country’s Grant Cycle 6 HIV funding request. Botswana used NASA data to develop its Funding Landscape Tables and determine the financial gap for the Global Fund to fill.

Countries particularly emphasized the importance of expenditure tracking for demonstrating countries’ progress towards achieving their Global Fund co-financing commitments. Countries must provide clear evidence to the Global Fund that they are investing domestically in their HIV, TB and malaria response, in order to access their full allocation amount. Historically, the penalty is rarely used. However, the Global Fund does report that five countries had their allocations reduced (by 15-20%) in Grant Cycle 4 and 5 when they could not show co-financing compliance.

The Global Fund reports that countries in the Global Fund’s High-Impact Africa 1 regional classification realized an impressive 145% (US$ 922 million) of commitments that they had made to domestically fund the three diseases in Grant Cycle 6.

In Grant Cycle 7, the Global Fund Secretariat and the Grants Approvals Committee used a data-driven approach to determine co-financing potential. National HIV resource tracking data informed this process, providing an actual baseline of past expenditure, ensuring that countries are making realistic, measurable, and accountable commitments that are consistent with policy requirements.

As a result, the Global Fund is requiring approximately US $1 billion of additional co-financing from countries in GC7 above GC6, compared to a GC5 to GC6 change in realization of US $6 billion.

“The economic situation post-COVID is a big reason,” said Dr. Nertila Tavanxhi. “If some countries met their co-financing commitments, this would dramatically and negatively affect their spending in other health areas, which is not desirable.”

Tavanxhi also confirmed that national expenditure analysis also informs Global Fund decisions about co-financing waivers and exemptions. These are only granted in extenuating circumstances. Co-financing waivers have declined over time, from five in Grant Cycle 4, to three in Grant Cycle 5 and Grant Cycle 6, and to one in Grant Cycle 7. This trend suggests more countries are able to comply with the policy of late, supported by enhanced resource tracking capacity.

Towards Grant Cycle 8

Looking ahead to Grant Cycle 8, the Global Fund is currently revising its Sustainability Transition and Co-Financing (STC) Policy, developed more than eight years ago.

Proposed revisions to the Global Fund's STC policy elevate the importance of co-financing for specific programmatic interventions — particularly key populations — by making it a standalone requirement for all countries, regardless of income level. The Fund wants to ensure co-financing is focused where it has the most impact, according to Board papers.

Currently, 64% of co-financing commitment letters describe domestic financing for health products, 40% for human resources for health, 29% for program management, and 24% for key population programs.

Granular expenditure data from NASAs will become essential for countries to demonstrate compliance with these new co-financing measures. Botswana's NASA shows that the government invested domestic resources in key populations for the first time in 2019/2020. South Africa's NASA shows that public financing entities invested US$6 million in key populations in that same year.

The new STC policy also includes flexibility to adjust how the co-financing requirements are set, including consideration of past spending and other factors.

"There will be an increased emphasis on incentives in the new STC policy", said Dr. Tavanxhi. "A country's ability to demonstrate past co-financing will be considered when allocating portfolio optimisation [additional funding] and qualitative adjustments [increases/decreases to the allocation]."

More broadly, HIV financial data have informed health financing reforms such as the Lusaka Agenda, social health insurance, and innovative financing. In the workshop, Lamboly G.N Kumboneki, Senior Program Officer HIV and AIDS at the Southern African Development Community (SADC) Secretariat, noted that National Health Financing Dialogues were held in seven African countries from 2022-2024, of which the Global Fund was a key partner.

"Africa has made progress over time," said Kumboneki, noting that the 2001 Abuja Declaration continues to be relevant. "Different countries have reached the target of allocating 15% of their annual budget to health at different points, but consistency is the issue."

Resource tracking is needed to monitor the Abuja target. As a key outcome of the this and the Health Financing Dialogues, he cites the increased allocation of domestic resources to health in Malawi, from 168b Kwacha (~US$224 million) in 2019/2020 to 342b (~US$456 million) in 2023/2024.

Issue of Sustainability of HIV Financing

Key sustainability concerns were raised in the workshop. This is in the context of shrinking resources overall, with increasing demand for HIV treatment. UNAIDS estimates that HIV funding in East and Southern African peaked in 2017, at US$ 11.1 billion, since declining to only US$9.3 billion in 2023. Between 2010 and 2023, Domestic resources in East and Southern African countries grew by 17%, alongside a 51% increase in investments from the Global Fund. However, domestic resources in the region have declined by 21% from their peak in 2017 and by 15% since the onset of COVID-19 (Figure 2).

Figure 2. HIV Resource Availability Trends in Eastern and Southern Africa, 2006-2023

Source: UNAIDS Finance Estimate July 2024

It is notable that while domestic financing (in 2023) contributes ~40% of the HIV response in East and Southern Africa, this figure is skewed by countries like South Africa, Botswana, Kenya, and Namibia. Most countries in the region remain heavily donor dependent. Of the 16 countries with reported data from national governments to Global AIDS Monitoring, nine showed domestic financing at less than 25%, and seven of these had under 10% domestic contribution.

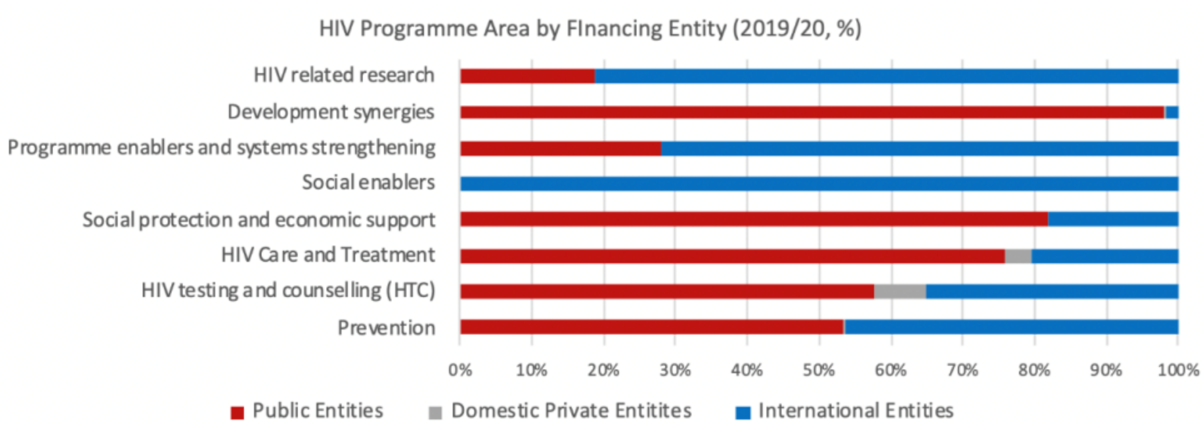
The Global Fund has now proposed further cuts to HIV financing in favour of increased investments in TB and malaria. Changes to the allocation methodology mean that in a US$13.1 billion replenishment scenario, HIV allocations will receive a US$364 million cut (-6%) in Grant Cycle 8. At the same time, lowerincome countries would receive an increase of US$183 million (+3%), by reducing allocations for middle-income countries.

The new STC policy will also enable accelerated transition timelines in a subset of its portfolio.

In this context, there is particular concern for the vulnerability of financing for societal enabler programs (including human rights), key populations, community-led HIV responses, and HIV prevention. These remain overwhelmingly reliant on external funding.

NASA data illustrates this in several countries. During the workshop, it was pointed out that human rights expenditure is entirely internationally funded in Malawi, Uganda, South Africa, and Zimbabwe. South Africa's previous NASA found that societal enablers is the only HIV program area where the government does not invest (Figure 3). South Africa is updating their NASA to obtain current evidence to inform sustainability planning.

Figure 3. HIV Programme Area by Financing Entity (2019/2020, %), South Africa



Source: South Africa NASA+, 2017/18 – 2019/20

Uganda's most recent NASA, covering 2019/20-2021/22, shows the difference between the planned and actual spending, highlighting gaps in investment according to the National Strategic Plan. In 2020/2021, key populations received only 43% of the planned investment of US$1.13 million, resulting in an estimated gap of US$650,000.

To help mitigate these challenges, countries are developing HIV Response Sustainability Roadmaps (see GFO article). With support from the United States Agency for International Development (USAID), UNAIDS technical support is currently deployed in 21 countries for these initiatives — almost all in Africa — with more on the horizon. The Global Fund also anticipates investing between $20-45 million over 2026-2028 (depending on the success of its 8th replenishment) for a catalytic investment to support countries to prepare for sustainability and transition. It is recommended that all low- and middle-income countries develop Sustainability Roadmaps by 2025, defining high level outcomes and major transformations to sustain the gains in the HIV response beyond 2030.

“High quality, routine and granular data from HIV resource tracking is essential for countries to develop and implement their sustainability roadmaps,” said Elan Reuben, Director of Financial Sustainability at the U.S. State Department’s Bureau of Global Health Security and Diplomacy, which leads the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR). “Partner countries must understand the HIV investments in detail across various funding sources, to inform planning and budgeting.”

Joint resource tracking data from PEPFAR, Global Fund, UNAIDS, and partner countries were used to generate key analytical products to support the development of these Roadmaps. Reuben commended the collaboration, saying, “We frequently hear from PEPFAR coordinators and Global Fund portfolio managers about how these tripartite resource tracking data—which are of value to Ministry of Finance and Treasury Departments as well—have helped better align investments and reduce any potential duplication.”

Conclusion

To conclude the workshop, countries outlined key actions required to optimize the use of HIV financial data in the context of sustainability planning. Namibia and Uganda plan to use financial data to inform the development (Uganda) and rollout (Namibia) of new policies on social contracting for community-led HIV responses. Zimbabwe will continue to use its AIDS Levy to domestically finance their routine NASAs, the data from which inform all their planning, budgeting and monitoring.

“AIDS is not going away in 2030”, said Jaime Atienza Azcona, Director of Equitable Finance at UNAIDS. “There will still be millions of people living with HIV. But we must plan for a long-term future.”

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