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Innovation for greater impact: exploring domestic resource mobilization efforts in collaboration with the Global Fund

As Aidspan has [explored previously](#), international aid for AIDS, tuberculosis and malaria is plateauing, and a critical transition is underway to find more sustainable approaches to health financing in implementing countries. The [Global Fund](#), together with [PEPFAR](#) and [PMI](#), is working with implementing countries, the private sector and civil society partners to find innovative solutions to fill these funding gaps.

Domestic expenditures for health are particularly vital, and developing countries are already making greater investments in their own health systems. Through the Global Fund's 2015-2017 concept note process, implementing countries have committed \$3.9 billion to date in domestic financing. Mobilizing these funds will help ensure program sustainability as countries transition from international support.

As noted in a 2013 Results for Development [report](#), however, "While there may be scope for ... countries to increase (their) domestic financial contribution to the national AIDS effort, the political and fiscal challenges of doing so should not be underestimated". The same is true for tuberculosis and malaria. Newly discovered natural resources and economic growth have lifted many countries into middle-income status, but their health systems are still reliant on donor support.

The Global Fund is working with eight countries to pilot innovative strategies to increase domestic contributions: Ethiopia, Kenya, Senegal, Nigeria, Cote d'Ivoire, Myanmar, Pakistan and Tanzania. The Global Fund is also working with ministries of health to review national targets for domestic investment and develop strategic financing plans, helping them to advocate for greater allocation of funds for health. Although trust funds for health exist or have been proposed in some of these countries, mobilizing resources remains a challenge.

Similar measures are underway across the civil society global health community. [RESULTS UK](#), for example, aims to launch a new publication on domestic investment in July 2015. It will illustrate how domestic resource mobilization can be supported by improved tax collection practices, the reduction of tax evasion, introduction of new taxes, and efforts to increase efficiency in the health system and prevent corruption.

Importantly, as detailed in [Friends of the Global Fight Against AIDS, Tuberculosis and Malaria's](#) February 2015 "[Innovation for Greater Impact: Exploring Resources for Domestic Health Funding in Africa](#)," implementing countries are heavily involved in efforts to grow resources and address budgetary shortfalls. The following – pulled from the Friends report and updated to reflect advances made in recent months, largely by Kenya – is an overview of mechanisms and strategies that are key to increasing domestic resource mobilization:

- **Trust funds:** National trust funds for HIV/AIDS are a major element of domestic efforts. Zimbabwe has already implemented this mechanism, and countries such as Kenya, Tanzania and Uganda are working toward establishing their own. In Kenya, the National AIDS Control Council's (NACC) [2014/15-2018/19 Kenya National AIDS Strategic Framework](#) has proposed an HIV/AIDS trust fund that would draw 2% of government resources annually. The framework estimates that increasing government revenues to this level would contribute \$423 million (75%) of Kenya's domestic financing for HIV in 2018-2019, with domestic private sector funds realistically contributing an additional \$143 million by that time. Notably, achieving efficiency gains are also paramount to meeting the resource gap.
- **Tax levies:** The government of Zimbabwe is working to grow its successful AIDS levy initiative, a 3 % tax on the income of formally-employed individuals and companies. The levy, in effect since 2000 and the first of its kind in Africa, surged when Zimbabwe officially began accepting foreign currencies in 2009. Between 2009 and 2012, the fund grew from \$5.7 million to \$26.5 million, and projections indicate that it will grow to \$47 million in 2016. The levy has inspired other sub-Saharan African nations such as Tanzania, Uganda and Zambia to explore similar schemes.
- **Public-private partnerships:** As emerging markets grow stronger in Africa, it is essential that in-country businesses support health, particularly in local communities where their operations are based. Disease control efforts are not only critical to saving more lives, but also [have been proven](#) to increase companies' productivity and offer a sustainable return on investment. A recent example of public-private partnerships is Kenya's "[Beyond Zero](#)" campaign, launched in January 2014 by First Lady Margaret Kenyatta to accelerate national efforts against new HIV infections in children. The campaign has received support from private sector donors such as Equity Bank, which pledged \$580,000 during the launch event, and the Ministry of Health announced plans to invest \$400 million.
- **Political will:** Increasing domestic investment would be impossible without health champions among implementing countries' leadership. Kenya's efforts have included pledging \$2 million to the Global Fund in the lead-up to its 2013 Fourth Voluntary Replenishment Conference, and issuing a [call to action](#) to low- and middle-income nations to increase domestic investments during a United Nations General Assembly side event with the Global Fund in September 2014. And, at the February 2015 launch in Nairobi of "[All In](#)," a global initiative to end the AIDS epidemic among adolescents, President Kenyatta announced that Kenya will lead by example, working to increase domestic resources, improve adolescent interventions, and adapt the national curriculum to better engage with HIV-positive students and fight stigma.
- **Health insurance schemes:** Several high disease burden countries in Africa and Asia also have high out-of-pocket expenditures for health. Requiring developing countries to pay more for services is among the most regressive systems; therefore, other forms of funding should be identified to

promote vertical and horizontal equity. Health insurance schemes in countries can provide an alternative method of increasing equity if the structures and premiums are favorable to the poor. Several countries, including Tanzania, Cote D'Ivoire and Kenya, are investigating or planning to consolidate fragmented health insurances schemes to encourage more risk pooling.

Domestic resource mobilization will only continue to gain momentum as global health partners look ahead to the third [International Conference on Financing for Development](#), taking place in Addis Ababa in July. High-level government, NGO and private sector partners will join together to implement the post-2015 development agenda, for which shared responsibility, health system strengthening, and efforts to eliminate HIV/AIDS, tuberculosis and malaria will be integral. As this agenda develops, it is imperative that implementing countries and international partners advance such efforts to prioritize health system sustainability, and innovations to support its growth for years to come.

Deb Derrick is the president of [Friends of the Global Fight Against AIDS, Tuberculosis and Malaria](#), an advocacy organization dedicated to sustaining and expanding US support for the Global Fund. The opinions contained in this commentary reflect her organization's position and may not be construed as Aidspan's own.

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