

FOCUS ON

Sustainability, Transition and Co-financing



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Countries, together with global development partners, have financed historic progress in the fight against HIV, tuberculosis and malaria. But ultimately ending these epidemics will only be achieved with sustainable health systems that are fully funded by countries through their own domestic resources.

An increasing number of countries are moving from low-income to middle-income status, and shifting from external funding toward domestically funded health systems. When countries grow economically, they are able to increase spending in health, and move closer to achieving universal health coverage.

Economic growth, however, does not guarantee equal access to health, particularly for key and vulnerable populations who are disproportionately affected by the diseases. With less external assistance, some middle-income countries will be challenged to meet internationally agreed upon benchmarks including the health-related targets of the Sustainable Development Goals.

A Holistic Approach

The Global Fund partnership takes a holistic approach to sustainability, supporting countries both with the programmatic and financial aspects of long-term sustainability and transition preparedness. The Global Fund works closely with countries and partners to leverage additional domestic financing for health and support well-planned transitions, with the goal of sustaining the gains, minimizing programmatic gaps, and helping countries prepare to continue to expand services even after Global Fund support has ended.

Under our 2016 policy on sustainability, transition and co-financing, the Global Fund works to embed sustainability considerations into the program design of all grants to all countries, regardless of their income level and disease burden. The Global Fund considers each country's specific characteristics, including disease burden and income levels, epidemiological context, financial and implementation capacity, risk, and how investments can have the most long-term impact.

Stimulating Domestic Financing

Increasing domestic finances for health is essential to end the diseases as epidemics and is a pathway to sustainability. Domestic resources constituted 57 percent of the total resources for HIV in low- and middle-income countries in 2016. The Global Fund has strengthened our co-financing requirements, designed as a strategic tool to stimulate domestic financing for health programs.

US\$6 BILLION

To date, countries have committed an additional US\$6 billion to their health programs for 2015-2017 compared with spending in 2012-2014, representing a 41 percent increase in domestic financing for health.

Transition Planning

The Global Fund encourages countries to proactively plan for transition, including addressing challenges and bottlenecks that may prevent a successful transition from Global Fund financing. One way to do this is by conducting transition readiness assessments with the government and partners that look into factors such as a country's epidemiological context, domestic funding and budget priorities, the policy and legal environment, and support for human rights, gender equality, and key and vulnerable populations.

Morocco recently completed a transition readiness assessment with the support of the Global Fund and UNAIDS. Based on the results of the assessment, Morocco is developing a multi-year plan to prepare for transition of HIV and TB programs, including establishing a high-level finance committee to explore sources of additional funding, and plans to increase health insurance protection for people living with HIV. More than a dozen other Global Fund-supported countries have completed transition readiness assessments for at least one disease component, and more assessments are planned for the 2017-2019 allocation cycle.

Key pillars of our work on sustainability, transition and co-financing:

- ▶ support countries to develop robust national health strategies, health financing strategies, and national disease strategic plans
- ▶ encourage additional domestic investments; require minimum 15% co-financing for each grant
- ▶ accelerate efforts to prepare for transition, particularly for upper-middle-income and lower-burden, middle-income countries
- ▶ strengthen focus on key populations and structural barriers to health
- ▶ work with partners to advocate for programmatic and financial changes
- ▶ strengthen alignment between Global Fund grants and country systems
- ▶ support countries to identify efficiencies and optimize disease responses



Doan Van Kiem, 35, who formerly used injecting drugs, now takes methadone as part of a harm reduction program supported by the Global Fund. Viet Nam is investing heavily in health. Our co-financing requirement is boosting the country's efforts to increase self-sufficiency. The country is increasing national spending and expanding a social health insurance scheme.

To strengthen planning and better manage transitions, the Global Fund provides transition funding for up to three years to disease programs that become ineligible for regular Global Fund grants. A total of 12 disease programs are transitioning from Global Fund financing in the 2017-2019 allocation period, and a total of 18 disease programs from 14 countries will be using a transition grant application in order to strengthen transition planning and preparedness.

Sustainable Financing of Civil Society

In many Global Fund grants, NGOs and community organizations play an essential role in the delivery of services, particularly to key, vulnerable and hard-to-reach populations. Fiscal, legal, and political frameworks may make it difficult to maintain funding for these non-state organizations so they can continue providing services beyond Global Fund transition. The Global Fund is supporting efforts by countries to set up or strengthen “social contracting” mechanisms, whereby government financing is used to directly fund and contract civil society and community organizations. In Belarus, where the government funds 100 percent of

multidrug-resistant TB treatment and 90 percent of coverage of antiretroviral medicines, parliament recently approved legislation in support of social contracting, given the significant role played by civil society organizations in prevention and other outreach programs.

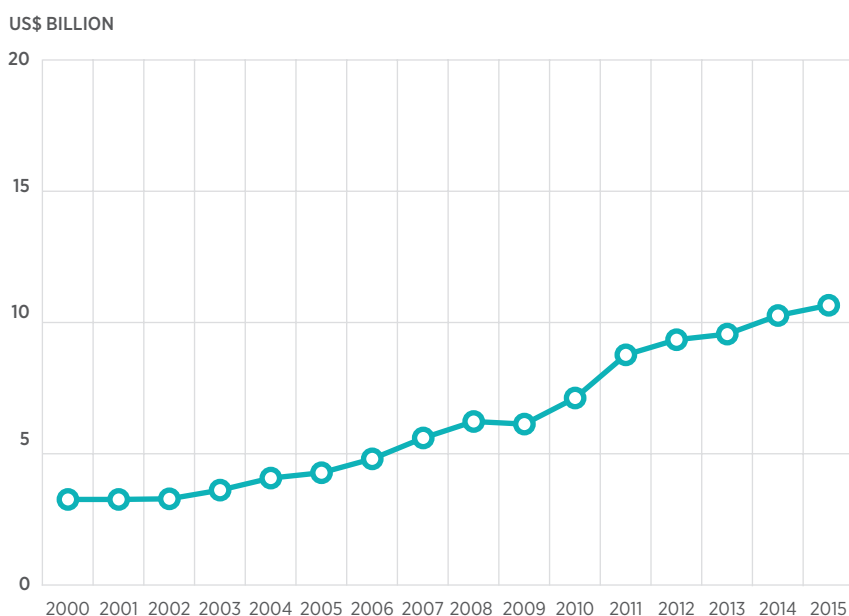
Key Populations and Human Rights

The Global Fund is an important investor in programs that serve key populations who are criminalized or discriminated against, such as men who have sex with men, sex workers or people who inject drugs. In the long term, countries will need to domestically finance such programs and invest to remove human rights- and gender-related barriers so these populations continue to have access to health programs when our support ends. The Global Fund is engaged with countries and partners, particularly in middle-income and upper-middle-income countries, so key populations are not left behind. In addition, the Global Fund’s co-financing policy specifically works to incentivize governments to invest in key populations by requiring that at least half of co-financing

commitments made by upper-middle-income countries focus on key and vulnerable populations.

Working with partners and communities, the Ministry of Health in the Dominican Republic has gradually taken up the cost of antiretroviral therapy, and is working on the inclusion of ARVs in the social health insurance package.

Domestic investments in the HIV responses of low- and middle-income countries are steadily increasing



Source: UNAIDS 2016

57 PERCENT

Domestic resources constituted 57 percent of the total resources for HIV in low- and middle-income countries in 2016.

Health Financing and Innovative Finance

To leverage additional domestic financing and continue expanding prevention, treatment and care for people affected by the diseases, the Global Fund is exploring the potential for innovative and alternative financing mechanisms with countries and development partners. The India Health Fund, an initiative between Tata Trusts and the Global Fund, leverages and pools private sector resources and expertise to support health programs. Zimbabwe's National AIDS Trust Fund, levied on income tax, companies and trusts at a rate of 3 percent, has increased over the years and is being spent on antiretroviral therapy.

The Global Fund supports efforts by countries to implement health financing strategies to diversify and expand sources of domestic funding to ensure sustainable financing of the health sector and reduce dependence on donor financing. In Tanzania, the government is working on a national health financing strategy to achieve universal health coverage through the rollout of a single national health insurance scheme that includes community health insurance for the poorest segment of the population, combined with increased mobilization of domestic financial resources.

Global Health Security

Strong and sustainable systems for health are essential for ending the epidemics and moving toward universal health coverage. They are also the sentinels that guard against regional or global outbreaks that threaten our global health security, including the growing menace of antimicrobial resistance. Much of the Global Fund's work on sustainability is linked to broader health system strengthening – health information

systems, provision of integrated health services, support for national health strategies and efficient supply chains that together can prevent, detect and respond to outbreaks. By investing in these areas, we can strengthen the resilience and sustainability of the health systems upon which national disease responses are built. As more countries adopt sustainable and self-financed domestic health programs, the world will get closer to achieving security against global health threats.



Community workers hand out condoms and educational materials in the city of Santa Clara, Cuba. Cuba is the first country to apply for transition funding for its HIV program. As part of the transition plan, Cuba has committed to take over treatment costs and services for key populations, such as men who have sex with men and transgender people.

About the Global Fund

The Global Fund is a 21st-century partnership designed to accelerate the end of AIDS, tuberculosis and malaria as epidemics. As a partnership between governments, civil society, the private sector and people affected by the diseases, the Global Fund mobilizes and invests nearly US\$4 billion a year to support programs run by local experts in more than 100 countries. The Global Fund's operating costs are approximately 2 percent of grants under management, reflecting an exceptionally high degree of efficiency. By challenging barriers and embracing innovative approaches, we are working together to better serve people affected by the diseases.