Dr. Nafsiah Mboi
Chair of the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria

Amb. Mireille Guigaz
Vice-Chair of the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria

Board Members

18.11.2014

Dear colleagues,

In this document you will find an Open Letter to the Global Fund Board in advance of its Thirty-Second Meeting signed by 24 civil society organizations from around the world. This letter details our grave concerns about the impact of the allocation methodology applied to middle-income countries (MICs) or those transitioning to middle-income status, and the ultimate consequences on key affected populations. Most importantly, we propose to intensify collaboration and partnerships between the Global Fund, donor governments, recipient governments, civil societies, and communities—particularly in MICs— to plan for, and execute a transition to sustainable HIV and TB responses in a responsible way.

In Eastern Europe and Central Asia we can cite four examples—Kyrgyzstan, Ukraine, Russia and Romania—of how the abrupt reductions in allocations that have not been properly planned for have already started affecting key affected populations. We are appealing to the Board of the Global Fund to work with us and affected communities to develop a strategy to:

- facilitate the development and execution of implementable roadmaps to sustainable and national government-funded HIV and TB programs, particularly in MICs with concentrated epidemics among key affected populations
- incentivize recipient-governments to take on responsibility in HIV and TB financing and provide adequate technical support in the course of transition to national investments in HIV and TB prevention, treatment and care
- build advocacy capacity and empower our communities to ensure that key affected populations are in no way marginalized, and have access to prevention, treatment, and care
- ensure that each country's needs will be determined by their situation and not as a "one size fits all" model
- ensure that hepatitis C is afforded its rightful place as a threat to people who inject drugs and other key populations.

In advance of the process of development of the next Global Fund Strategy, we urge the Board to commit to careful examination of learns lessons from the current strategic financial and

operational systems and address its flaws going forward. We realize that we live in a resource constrained and politically challenging environment and that there are many demands on countries and funders to address the needs of the world in the public health arena. The challenge calls for closer coordination and collaboration between the Global Fund, donor governments, recipient governments, civil societies, and communities to prepare for and implement the transitions to sustainable HIV and TB responses in a responsible way. Let us not undo the good that has already been done.

We look forward to your response to this appeal in order to inform our communities who are affected by the current situation and have called for our urgent action.

Sincerely yours,

Sergey Votyagov

Executive Director
Eurasian Harm Reduction Network (EHRN)

Open Letter of Civil Society Organizations to the Global Fund Board in advance of its Thirty-Second Meeting

18 November 2014

In March 2014 at the Thirty-First Meeting of the Global Fund for AIDS, Tuberculosis and Malaria, the Board approved the New Funding Model (NFM) for the 2014 – 2016 allocation period.

With this letter we—the undersigned organizations representing civil society and including communities of people living with these diseases, i.e. key affected populations from different Eastern Europe and Central Asia (EECA) countries, and their partner organizations from other regions—would like to share with Global Fund Board members our lessons learned from the application of the new Global Fund approach to resource allocation, particularly the negative impact it is likely to have on harm reduction programming and funding in EECA in 2015 – 2017. We believe that it is critical to analyze what consequences the NFM will have on middle-income countries (MICs) and their key affected populations (KAP) in order to draw conclusions for the improvement of certain elements of the model and development of the next Global Fund Strategy. We hope that issues highlighted in this letter will be considered by the Board during its deliberations and certain measures will be taken.

We strongly support the NFM in general, and particularly such elements as inclusive country dialogues, flexible timelines to submit concept notes (CN), streamlined and iterative processes of CN' development and submission, and greater possibility to emphasize human rights and community systems strengthening activities within CNs. But the positive expectations created by the Global Fund leadership with regard to how NFM can help improve accessibility of essential HIV prevention and treatment, and increase value for money across the globe remains a cause for great concern since this is planned to be achieved by re-allocating resources away from MICs. A number of countries from different regions of the world were extremely disappointed and gravely concerned when they received their allocation letters in March this year[1].

The majority of EECA countries are already able to predict the lack of investments into harm reduction service delivery and advocacy at the country level in 2015- 2017. The overall tendency is a rapid scale-down as countries go through the country dialogues and face persistent political resistance and an unwillingness to pay for programs that target KAP, including harm reduction services for people who use drugs. This trend clearly undermines the prospects of achieving the ambitious goal of the Global Fund's Investment Guidance for Eastern Europe and Central Asia "to reduce HIV transmission among people who inject drugs by 50 per cent within the current allocation period"[2].

[1] Aidspan. Disappointment and concern are hallmarks of country reactions to 2014-2016 allocations. 19.03.2014 http://www.aidspan.org/node/2203#comment_section

[2] Global Fund Investment Guidance for Eastern Europe and Central Asia, p. 9

[2] Global Fund Investment Guidance for Eastern Europe and Central Asia, p. 9

We would like to highlight the following examples:

In **Kyrgyzstan** the total funding available from all donors on HIV prevention programs among people who inject drugs (PWIDs) including opioid substitution treatment (OST) and all related administrative costs in 2011 – 2013 was 3,5 million USD annually. In 2014, this amount decreased to 2,5 million and may be as little as between 1.5 and 1 million in 2015 – 2017[3]. The application of the NFM methodology could result in almost a 50% cut of total annual HIV funding for both prevention and treatment (from 9.5 mln USD in 2014 to 6.8 mln USD in 2015 and expected 4-5 mln USD in 2016). This reduction can only undermine the HIV and TB responses and result in the escalation of HIV, TB and HCV epidemics among both PWIDs and the general population.

Ukraine's model of HIV prevention among PWIDs is widely considered an example of best practice in the EECA region. According to a recent WHO publication[4], HIV rates among PWIDs have decreased significantly over the last eight years (48% to 20% National IBBS data). Within the NFM and application of its allocation methodology Ukraine was considered as a "severely over-allocated" country. As a result, Ukraine's funding until 2016 was limited to existing grants with zero "additional funding" for new grants from 2014–2016 commitments.

Ukraine is now faced with dramatic cuts to its HIV budget. For example if the total HIV spending in Ukraine in 2014 was 61M USD, in 2015 it will be 31M[5]—almost a 50% drop. As a result, the unit cost spending for PWIDs will fall by 37%, from $30,66 to $19,35[6]. The International HIV/AIDS Alliance in Ukraine predicts that plans to scale-up access to OST will cease, along with funding for legal services, STI testing and treatment, and that outreach programs will have to be curtailed. All these cuts are coming at same time as the reduction in national HIV budget of 71%[7] due to the conflict in Eastern Ukraine and devaluation of the national currency.

Another example of the negative impact of the introduced allocation methodology and the availability of funding for harm reduction programs may be seen in **Russia.** Currently, there are two active Global Fund grants supported within Transitional Funding Mechanism (TFM) and focused mainly on prevention services for PWID. Both grants will end in December 2014.

Based on the Global Fund Board's decision in March 2014, the Russian Federation was allocated 11,944,784 USD as additional funding to the existing 3,771,853 USD and was considered as significantly over-allocated. The allocated amount of funding will not allow the continuation even of 50% of harm reduction programs currently implemented in Russia with Global Fund grants. The Russian government provides zero support for these programs. This was the major concern and reason for conflict between NGOs in Russia when developing the

[3] According to the budget analysis of the draft Kirgizstan NFM concept note on HIV and previous HIV grants from different donors provided by Kyrgyzstan NGOs.

[4] World Health Organisation (2014) Good practice in Europe. HIV prevention for people who inject drugs implemented by the International HIV/AIDS Alliance. Geneva: World Health Organisation.

[5] Data provided and confirmed by the International HIV/AIDS Alliance in Ukraine

[6] Ibidem

[7] ibidem

concept note (CN) and a major concern of the Technical Review Panel (TRP) when reviewing the CN. Intervention sites in 23 regions out of the current 29 regions covered by Global Fund grants will cease to exist and it is estimated that 44,000 PWID will lose Global Fund prevention support in early 2015—a 77% reduction from Global Fund support levels in 2014. Russia is also not eligible to apply for incentive funding.

Under the revised eligibility policy and using the NGO rule **Romania** was eligible to apply for HIV grants in 2014[8]. However it was allocated zero funding on HIV for 2014 – 2016 period as the Global Fund decided that there are no political barriers to providing key services to PWIDs. It is a known fact that HIV epidemic among PWIDs in Romania is growing[9] and there is no political will to support harm reduction measures at the level needed[10].

These are specific examples, but the number of these cases is expected to increase as MICs in EECA go through the application process. We understand the reasoning for decreased Global Fund support in MICs is a means of increasing motivation among national governments to strengthen their commitments to fund essential HIV services from public sources. But the approach to funding allocation based only on the combination of disease burden and ability to pay fails to recognize the specific challenges of concentrated epidemics in MICs. As a result, the upper middle-income countries that account for 18 per cent of the global disease burden are only receiving $1.2 billion, or 8 percent, of the funding available within NFM[11].

These countries should not be punished because of their formal income status or because of the successes achieved in counteracting the HIV epidemic, which would not have been possible without the Global Fund support. The MICs with concentrated epidemics need adequate support in transitioning. And it does not make economic sense if the Global Fund's mission is to invest for impact, and then it allows for funding cuts for HIV and harm reduction by almost 50% in countries in transition like Kyrgyzstan, or a country with armed conflict as Ukraine. That is why we request to make the formulas and calculations of country allocations public—including the disease burden scores and the ability to pay numbers for individual countries, as well as all the relevant quality criteria applied by the Global Fund Secretariat.

The civil society welcomes the recently issued **Global Fund Investment Guidance for Eastern Europe and Central Asia** as it is ambitious and sets the right intentions and priorities for HIV and TB counteraction and investments in EECA. The document however ignores the challenges of hepatitis C which is confronting the region despite the gravity of the situation within a major target group for Global Fund-supported programming for HIV and TB in EECA: people who inject drugs.

Most importantly, the targets determined in this guidance and especially the timeframe given to achieve these targets (the current allocation period which means the end of 2017 as the latest) is of utmost concern. Transitioning in a responsible and sustainable way requires time. It also

[8] The Global Fund Eligibility List 2014.
[9] HIV/AIDS infection in Romania as of 30 June 2014 http://cnlas.ro/images/doc/30062014_en.pdf
[10] http://www.opensocietyfoundations.org/voices/tragedy-romania-hiv-and-shakespeare
[11] According to the Global Fund's latest progress report file:///C:/Users/user/Downloads/FundingModel_2014-07-Progress_Update_en.pdf

requires establishing partnerships among the Global Fund, its donors, national governments, communities and civil society. As well as planning and technical support to countries in transition if the Global Fund to ensure a sustainable legacy.

According to the document[12] the Global Fund expects that before the end of the current allocation lower-LMIs countries should cover minimum 60%, upper-LMIs – 75% and upper MICs – 100% of funding for ARV treatment, lab services, and adherence support from domestic sources. Almost the same targets are set for TB. This means that within the next allocation upper-MICs will not be eligible for any Global Fund funding to cover HIV and TB treatment, and upper-LMICs will only receive up to 25% of the total need.

At the same time it is stated in the document "currently, 10 out of 18 EECA countries receiving grants are fully or partially dependent on the Global Fund for the procurement of ARV drugs." As stated elsewhere, the introduction of the NFM and the new approach to funding allocation will result in up to 50% decrease in funding available for the region.

It will require major advocacy capacity building, and technical support to allow for the transition to take place responsibly. For example how can Belarus[13] be expected to start covering 100% of HIV treatment from the national budget by 2017 if at the moment up to 70% of ARV treatment in Belarus is covered by the Global Fund,[14] as well as up to 100% of prevention programs among KAPs? Or how can Kyrgyzstan—re-classified by the World Bank as Lower-MIC[15] this year—provide for ARV treatment and HIV prevention among KAPs when it depended on the Global Fund for more than 90% of its funding? Taking all this into account we strongly doubt that given targets are realistic and achievable. The Global Fund should conduct an additional evaluation of such factors—ability and willingness of countries to pay—and review and update the investment guidance by the end of current allocation period. These targets may need to be prolonged for at least one more allocation period.

The Global Fund supported not only syringes and medicines, but also programs to reduce stigma, mobilize communities, and build the service and advocacy capacity essential to the establishment of sustainable, nationally supported programs. It brought hope where people who use drugs have traditionally been criminalized and excluded, and it pushed for their human rights and full inclusion.

It is time for the Global Fund—the key donor of harm reduction globally and in EECA particularly—to work with civil society and governments to develop implementable and sustainable plans for continuation of vital services, and to prioritize advocacy and community systems strengthening to ensure that civil society is ready to hold governments accountable for their health programs. This would help to continue the delivery of lifesaving harm reduction

[12] Table "Differentiated approach, sustainability and co-financing targets" given on the p.5 of the Investment Guidance

[13] According to the WB income classification Belarus is Upped Middle-Income Country

[14] http://belaids.net/news/2013/658

[15] http://www.worldbank.org/en/news/press-release/2014/07/24/kyrgyz-republic-becomes-lower-middle-income-country

services alongside ongoing advocacy to increase domestic support and funding in the longer-term.

We also believe that it is a time for stronger partnership between the Global Fund, donor governments, national governments, and civil society to plan and execute a gradual transition to national funding of HIV, TB and harm reduction programs. Transition from international to national (public) funding should be a shared responsibility on the agenda of international donors and national stakeholders, with strong technical support from UN partners and the Global Fund. At the same time, community and civil society groups, including PWIDs, should be given advisory roles to ensure the transition happens in the most effective and responsible way. We support the Technical Evaluation Reference Group (TERG) recommendation[16] to the Global Fund that there should be a clear definition of what sustainability is as well as a long term plan for assurance that programmatic, financial, and organizational gains at national and community levels as a result of the Global Fund support will be maintained or increased as Global Fund financing is reduced.

The Board of the Global Fund needs to take the lead and advocate for strong support to ensure that transition in MICs is done in a responsible way. We cannot afford to undo many years of excellent work and put the lives of thousands of vulnerable people at risk.

Sincerely yours,

Sergey Votyagov **Executive Director** **Eurasian Harm Reduction Network (EHRN)**	Krista Lauer **Director** **Global Health Financing Initiative** **Public Health Program** **Open Society Foundations**
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[16] Sustainability Review of Global Fund Supported HIV, Tuberculosis and Malaria Programmes, April 2013 (p. 47). file:///C:/Users/user/Downloads/TERG_Evaluation20132014ThematicReviewGFSustainabilityReview_Report_en.pdf

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HARM REDUCTION NETWORK

OPEN SOCIETY
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Legal
Network
Réseau
juridique
canadien
VIH/sida

NON-PROFIT PARTNERSHIP "ESVERO"

INPUD
International Network of People who Use Drugs

GHRN
GEORGIAN HARM REDUCTION NETWORK

Interagency
Coalition on AIDS
and Development
Coalition
interagence sida
et développement

MSMGF

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