HIV/AIDS Trust Funds: What do we know?

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Background and objectives

• Context:
  ➢ Increasing demand from donors for mobilizing domestic funds for HIV/AIDS.
  ➢ Most donors do not have a formal position on Trust Funds.
  ➢ Limited understanding of what Trust Funds mean

• To contribute to Global Fund’s understanding of Trust Funds and understand if these can be a major financing mechanism

• Understand donors partners’ engagement on this issue
Approach

• Currently focusing on HIV/AIDS but interested in a wider scope – WHO study on earmarking (Montreaux meeting)

• Literature review

• Conversations with most partner countries and donor agencies that are involved in establishing or running a Trust Fund

• Presenting some initial thoughts, gather feedback and prepare a final paper
AIDS Trust Fund: An entity within the public sector dedicated to funding AIDS related spending

**Revenue**
- Government Revenue
- Donors
- Philanthropy and other sources

**Governance**

**Disbursements**
- Providers (NGO and private)
- Ministry of Health
- Regional bodies
## Is Zimbabwe a success story?

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<th>Zimbabwe</th>
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| **Objectives** | • Self sufficiency  
• Seeking donor contributions |
| **Governance** | • Administered by National AIDS Council  
• Very broad mandate  
• Minister has considerable influence |
| **Revenue** | • 3% levy on incomes and profits in formal sector  
• Integrated into tax system  
• Funding at US$33 million today |
| **Disbursement** | • Almost all annual receipts spent  
• Local networks propose spending  
• Decisions taken centrally  
• 50% for ARV |
What have we learnt from Zimbabwe?

• Establishing a special fund will not protect AIDS spending from the vagaries of the macroeconomic environment.

• Though unpopular and exacerbating informality, broadly based taxes provide a growth source of revenue.

• Attempts to ‘protect’ AIDS spending can be undermined by delivery structures that rely on regional government.

• …modesty about how much we can draw out lessons for other contexts.
## Proposals: Tanzania, Uganda and Kenya

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<th>Tanzania</th>
<th>Uganda</th>
<th>Kenya</th>
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<tbody>
<tr>
<td><strong>Status</strong></td>
<td>Fund established but lacking committed funding</td>
<td>Supported in principle</td>
<td>Proposed since 2012</td>
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<td><strong>Objectives</strong></td>
<td>• Reduce reliance on donors</td>
<td>• Self sufficiency</td>
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<td></td>
<td>• Mixed investment and budget fund</td>
<td>• AIDS services in NHIF?</td>
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<td><strong>Governance</strong></td>
<td>• TACAIDS to oversee, currently preparing regulations</td>
<td>• Supervised by National AIDS Control Council</td>
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<tr>
<td><strong>Revenue</strong></td>
<td>• Seeking revenue</td>
<td>• Seeking 2% of revenues from beers, spirits and waragi</td>
<td>• Less than 1% of total revenues</td>
</tr>
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<td>• Draft legislation notes donations and investment income</td>
<td>• Seeking donations and contributions</td>
<td>• Seeking new taxes</td>
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<td>• Press report Sh3bn ($1.38m) so far</td>
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<td>• Seeking donor and private</td>
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<td><strong>Disbursement</strong></td>
<td>• Grant model</td>
<td></td>
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<td>• 1% for coordination expenses</td>
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Commonalities

1. Efforts to push for these vehicles are driven domestically

2. Calls for funds today are mainly for more revenue

3. Enthusiasm about raising private and public capital, but no major pledges to date

4. Little focus on how the money should be spent
What are the policy dilemmas?

• Conflating budgetary vehicles with investment funds
  ➢ Earmarking: out of sight and out of mind? Efficient taxes?
  ➢ Investment demands big numbers, capabilities and patience

• Integration with the health system – being a complement and not a substitute

• The Finance Ministry tests: atomisation, stability and governance
Next steps

1. Wrap up and circulate a descriptive note on Zimbabwe and current proposals

2. What can we learn from trust funds beyond HIV/AIDS?

3. Potential collaboration with other partners – WHO, USG, World Bank?

4. What implications for policy?
Got friends who know a lot or feel strongly about this?

Put them in touch!

- **Manjiri**: manjirib@hsph.harvard.edu
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Extras
What else is out there?

- **Hong Kong AIDS Trust Fund:**
  - Complements medical system with community services,
  - Payments to haemophiliacs

- **Bhutan Health Trust Fund:**
  - Essential drugs in primary care

- **Stabilisation funds:** Tuvalu, Road Maintenance Funds

- **Social Security funds** … sort of.