

### The fundamental need for sustainable financing strategies: the case of the AIDS response

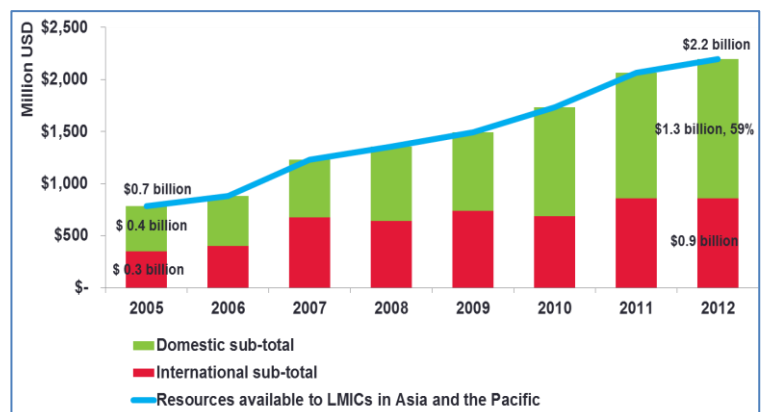
The AIDS response has achieved astonishing successes in the leveraging of finances. In just over a decade, global financing for AIDS increased from millions to billions, reaching highest levels ever in 2012 at US\$ 19 billion. Asia and the Pacific has mirrored this global trend, with estimated regional HIV spending rising from US\$ 700 million in 2005 to US\$ 2.2 billion in 2012.

A number of critical actions helped to rapidly expand AIDS funding at global, regional and national levels. Focus on collection and dissemination of quality data, evidence and analysis on epidemics gave Governments needed information on the magnitude of the HIV scenarios within their countries, as well as the possible repercussions of inaction. Civil society and people living with HIV organized, rallied and worked to mobilize the support and action of politicians and development partners. As AIDS advocacy grew, national and global political and public champions emerged, raising AIDS to the highest levels on the international agenda and leading to the formulation and adoption of a number of high-level HIV-specific Declarations and Resolutions.

Globally and regionally, international funding for HIV has been and continues to be critical to provide the initial momentum for funding HIV programmes. In the early years, the provision of catalytic funding from key development partners provided the foundation for evolving AIDS responses. As the response has continued, the importance of increasing domestic financing for HIV has been stressed as fundamental for programme sustainability. Over time, the AIDS response has positioned tackling AIDS as a ‘shared responsibility’, one that relies on the engagement of all countries and all sectors, according to their differentiated capacity to do so. Through intense and focused advocacy over the last decade—including within the 2011 Declaration on HIV and AIDS, the calling for shared responsibility as a mechanism to achieve its AIDS targets and commitments—the international community is now negotiating new partnership compacts based on shared responsibility and global solidarity for a more sustainable HIV response.

Governments in Asia and the Pacific have acted decisively to implement the concept of shared responsibility. Since 2005 there have been steady increases in domestic public spending: from US\$ 400 million in 2005 to US\$ 1.3 billion in 2012 (See Figure 1), representing 59% of total AIDS spending compared with the global average of 53%.

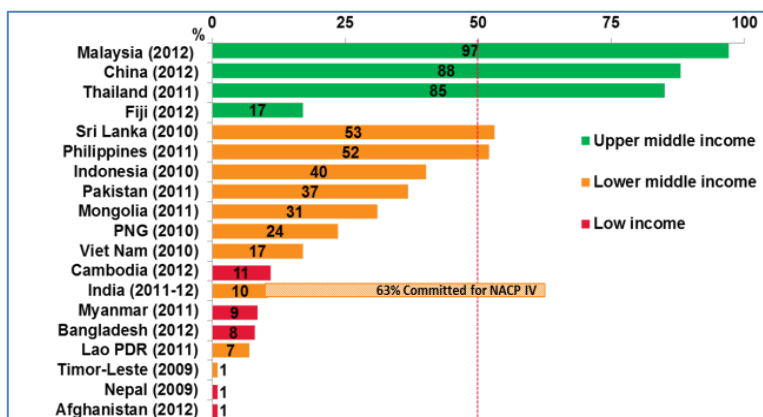
**Figure 1: Resources available for AIDS response in Asia and the Pacific, low-and middle-income countries (LMIC)**



Source: UNAIDS estimates 2012, Global Report: UNAIDS Report on the Global AIDS Epidemic 2013

Three of the 10 countries with the highest HIV burden, Malaysia, China and Thailand, fund most of their AIDS response domestically. India has committed to finance over half its response from 2014. (Figure 2). Together, the BRICS countries (Brazil, Russia, India China, South Africa) contribute to more than half of all domestic spending on AIDS in low- and middle-income countries.

**Figure 2: HIV expenditure from domestic sources, Asia and the Pacific, latest available year, 2009-2012**



Source: Prepared by [www.aidsdatahub.org](http://www.aidsdatahub.org) based on [www.aidsinfoonline.org](http://www.aidsinfoonline.org), India Global AIDS Response Progress Report 2012, and Kumar, U. A., 'Azad Launches Rs 14,295 Crore Phase IV of NACP', The New Indian Express, 13 February, 2014).

Nevertheless, resource needs are still greater than resources available, especially as the region is seeing a number of emerging epidemics in some countries. To achieve globally agreed targets, UNAIDS estimates that approximately US\$5.4 billion must be mobilized in low- and middle-income countries in Asia and the Pacific; a shortfall of US\$3.2 billion on current spending levels. . Many countries in the region continue to rely heavily on international assistance. As the region's economic growth continues, further reducing eligibility for a shrinking pool of international donor funding, the importance of assured sustainability of domestic funding is clear particularly given the life-long need for treatment.

A number of countries around the region are adopting 'investment approaches' to achieve greater impact through prioritizing cost-effective and cost- efficient interventions based on country-specific epidemic contexts. Evidence shows that countries that prioritize funding for focused programmes among key populations at higher risk and within certain geographic areas of higher burden have the highest impact and return on investments. Equally important is the need to invest in critical enablers such as programmes in partnership with affected communities, addressing legal and social barriers to access HIV services, and to explore and implement innovative financing mechanisms such as public/private partnerships, tax levies and pooled procurement.

### **Towards a sustained response: Thailand's investment approach**

In 2013, Thailand developed an investment case aimed at ending AIDS by 2030, based on detailed epidemic analysis and modelling. They found that 70% of new HIV infections are in 33 provinces, with the majority among men who have sex with men (41%) and through spousal transmission (32%). Given this context, future response strategies will prioritize high impact interventions focusing on key populations to give the best returns on investment, including continued behaviour change combined with promoting HIV testing and early access to treatment for all. The investment needed to treat every HIV-positive person regardless of CD4 cell count, and to strengthen adherence support is relatively modest (an additional US\$ 100 million over the next 10 years), but would prevent 20,000 people from acquiring HIV infections, avert 22,000 deaths. For every additional dollar spent now, the economic return will be three dollars in future savings on treatment and hospitalization costs.

**Sources:** All data cited are from Global Report: UNAIDS Report on the Global AIDS Epidemic 2013 based on the 2013 Global AIDS Response Progress Reporting (GARPR), and HIV in Asia and the Pacific: UNAIDS Report 2013. The Thailand Investment approach is described in: Smart Investments, UNAIDS 2013.