

July 16, 2016

Macro-fiscal Challenges and Realistic Prospects for Domestic Resource Mobilization for HIV in Zambia and Uganda

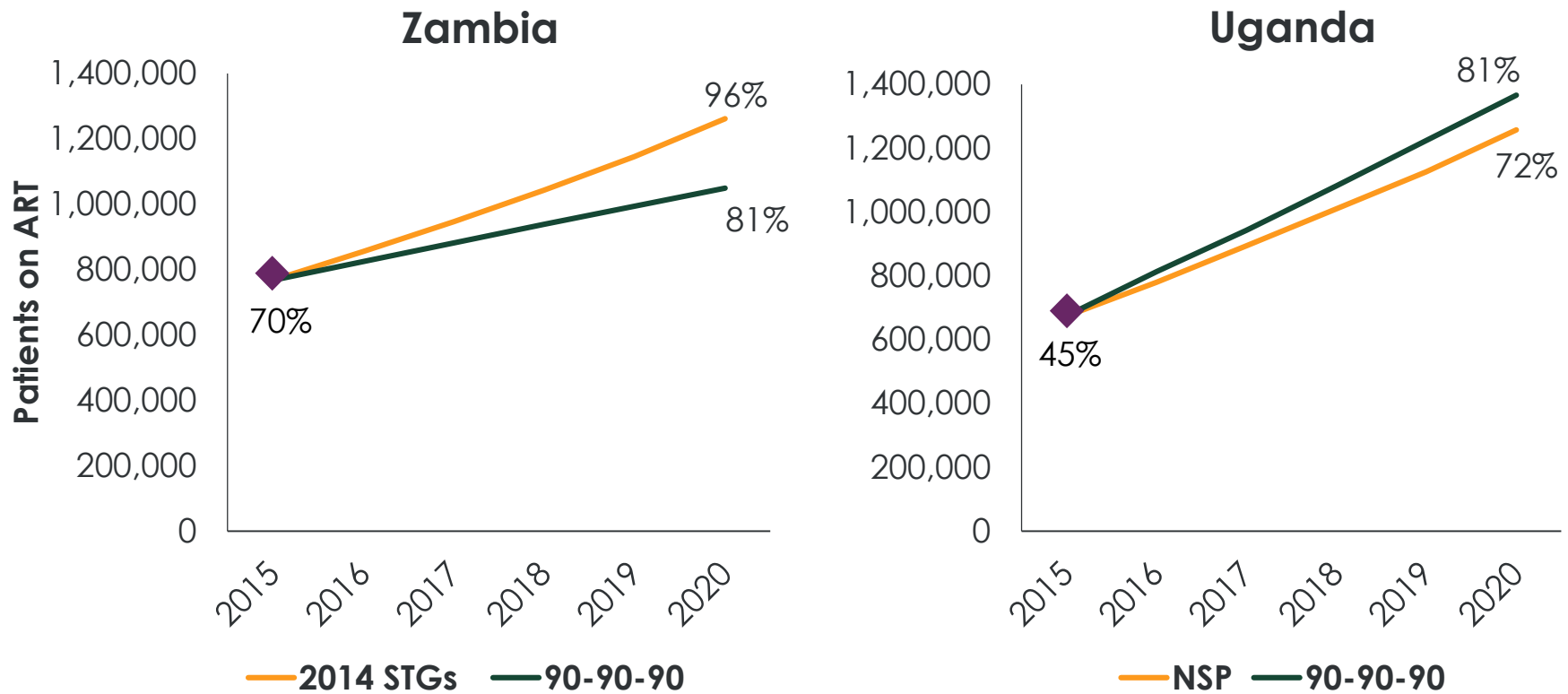
Thomas Fagan, Veena Menon, Sayaka Koseki, and Arin Dutta

21st International AIDS Conference:
Durban, South Africa



Current Guidelines and Targets

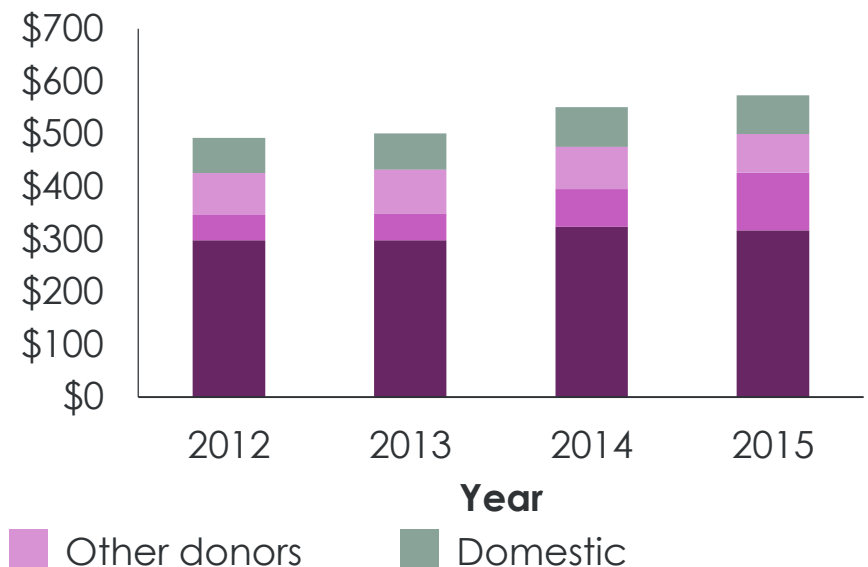
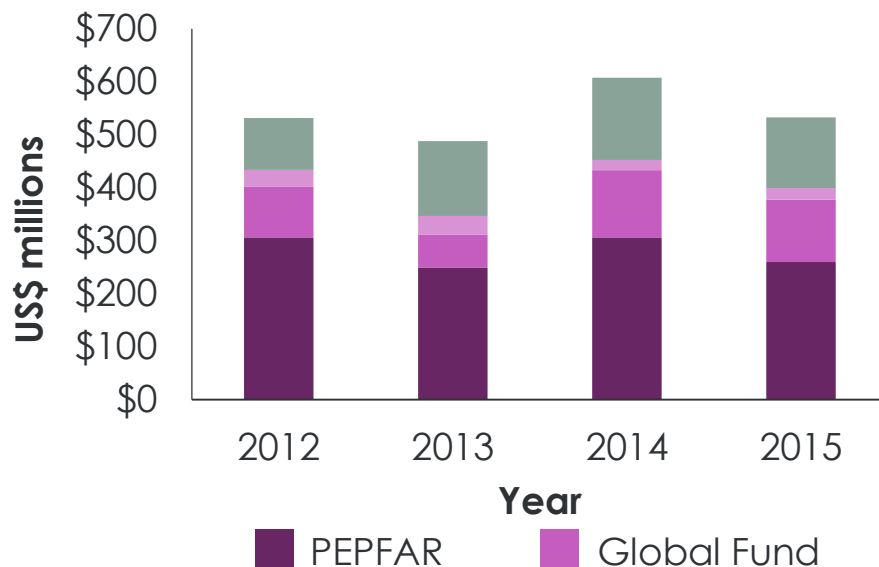
Total ART Patients by Country and Scenario
(% coverage of PLHIV)



Sources: UNAIDS. 2015. Spectrum Model for Zambia (updated August, 2015). Lusaka: UNAIDS; National AIDS Council (NAC). 2014 Revised NASF Costing Summary. Lusaka: NAC; Uganda AIDS Commission (UAC). 2015. Spectrum Model for the Uganda National Strategic Plan for HIV/AIDS 2015-2020. Kampala: UAC

Funding Environment

Total HIV Funding by Country and Source



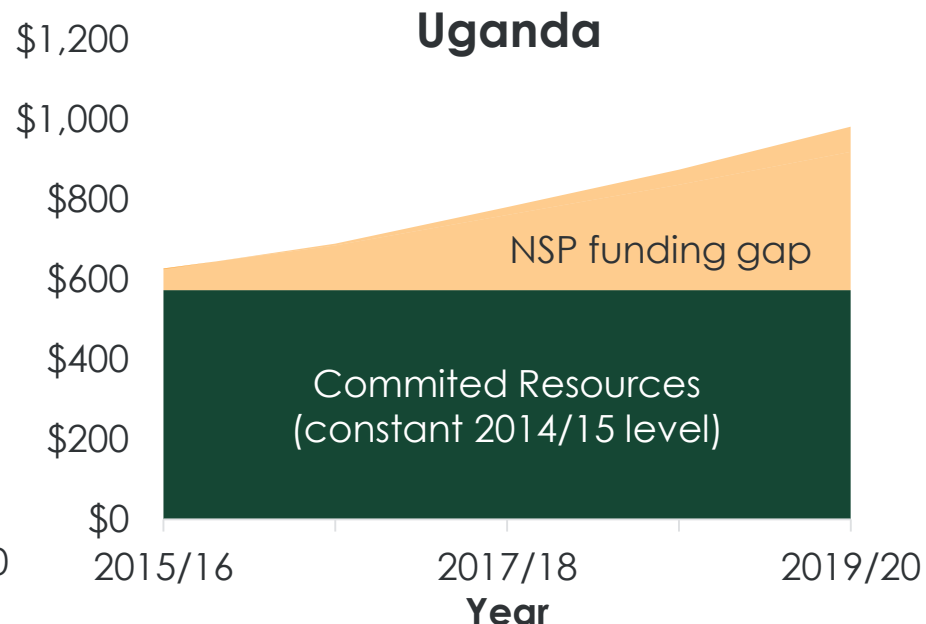
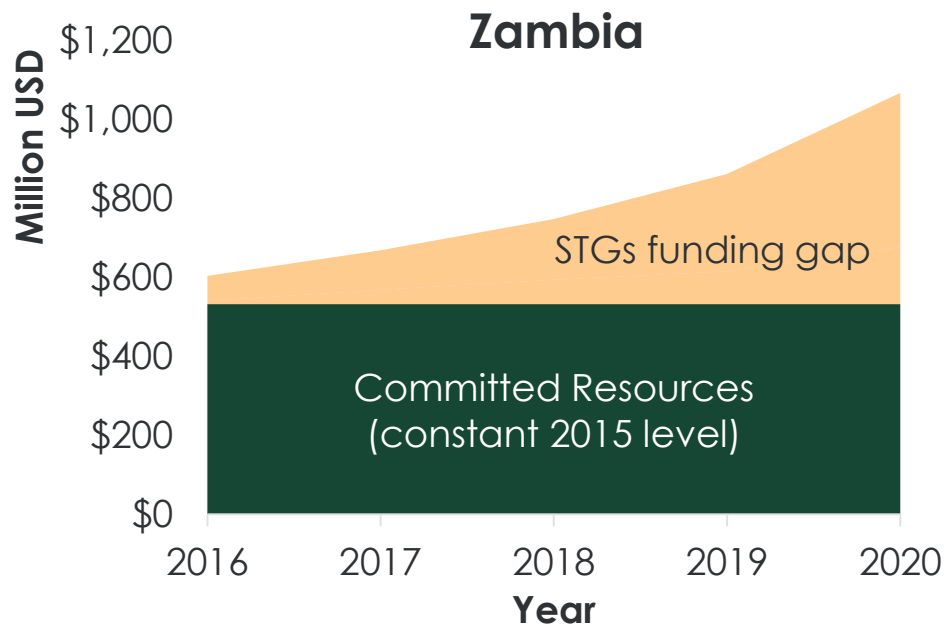
8% decline in donor resources,
2012–2015

5% annual increase in resources insufficient
to cover projected 13% annual increase in
antiretroviral therapy (ART) patients

Sources: NAC. 2014. 2014 Revised NASF Costing Summary. Lusaka: NAC; The Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund). 2014. HIV Financial Gap Analysis and Counterpart Financing Table. Lusaka: Global Fund; MOF. 2013 & 2015. Approved Estimates of Revenue and Expenditure. Lusaka: Republic of Zambia; NAC. 2014. National AIDS Spending Assessment 2010-2012. Lusaka: NAC; PEPFAR Dashboards (2015); Global Fund Dashboards (2015); Ministry of Finance, Planning and Economic Development. 2012, 2013, 2014 & 2015. Uganda Annual Budget Performance Reports FY 2011/12–2014/15. Kampala: Government of Uganda; MOH. 2015. Uganda Health Accounts 2010/11 and 2011/12. Kampala: MOH.

Resource Gap

HIV Funding Gap by Country



By 2020, 2014/15 expenditure levels will only cover 38% of resource need (STGs)

By 2020, 2014/15 expenditure levels will only cover 57% of resource need (NSP)

Sources: NAC. 2014. *2014 Revised NASF Costing Summary*. Lusaka: NAC; The Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund). 2014. *HIV Financial Gap Analysis and Counterpart Financing Table*. Lusaka: Global Fund; Ministry of Finance (MOF). 2013 & 2015. *Approved Estimates of Revenue and Expenditure*. Lusaka: Republic of Zambia; NAC. 2014. *National AIDS Spending Assessment 2010-2012*. Lusaka: NAC; PEPFAR Dashboards (2015); Global Fund Dashboards (2015); Ministry of Finance, Planning and Economic Development. 2012, 2013, 2014 & 2015. *Uganda Annual Budget Performance Reports FY 2011/12-2014/15*. Kampala: Government of Uganda; Ministry of Health (MOH). 2015. *Uganda Health Accounts 2010/11 and 2011/12*. Kampala: MOH.

Filling the Gap...

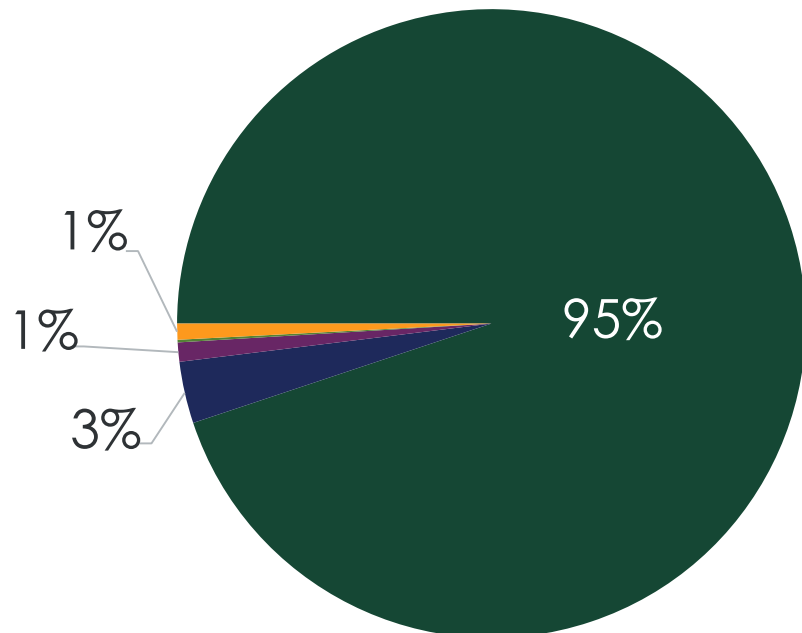
Increase in Annual Domestic HIV Financing
Necessary to Meet Funding Requirement by 2020

	Zambia	Uganda
National Targets	x5	x5.7
90-90-90	x2.1	x6.6

Domestic HIV Financing

Domestic HIV Expenditure by Country and Source (2015)

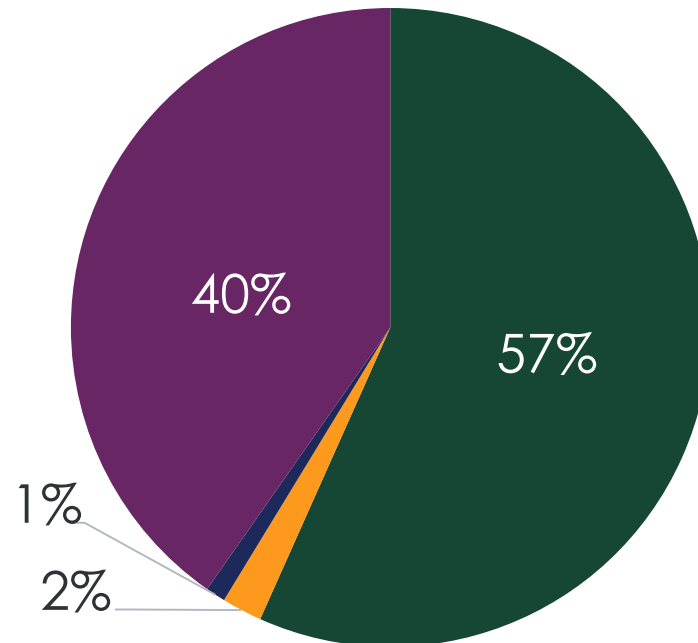
Zambia: US\$94 million



■ Government

■ Insurance

Uganda: US\$123 million



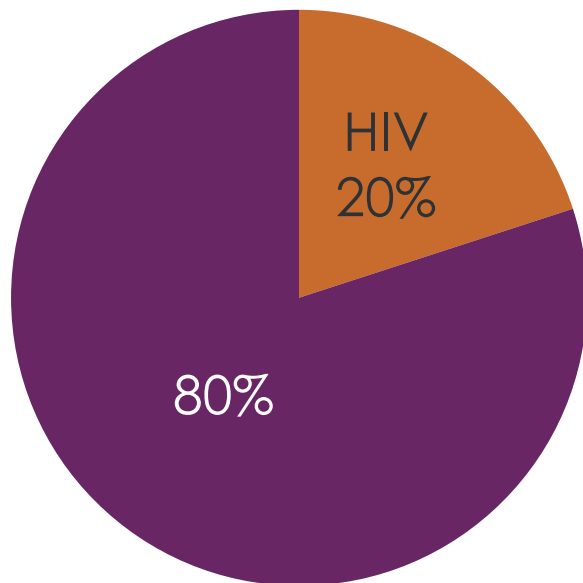
■ Households (OOP)

■ Private (other)

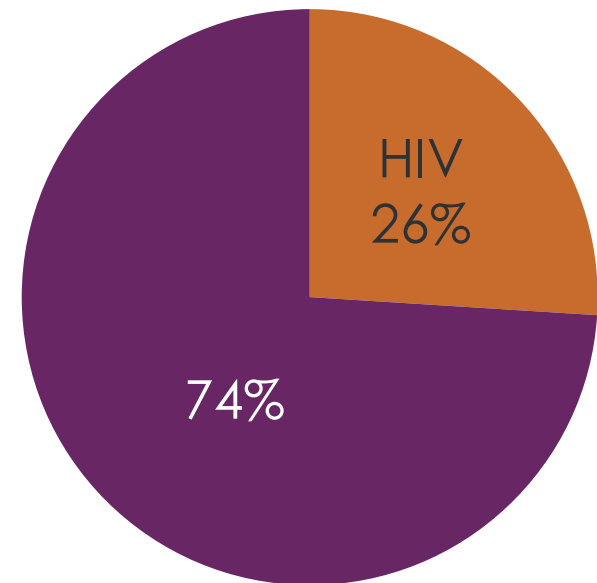
HIV and Health Budgets

HIV Share of Health Budget by Country (2015)

Zambia



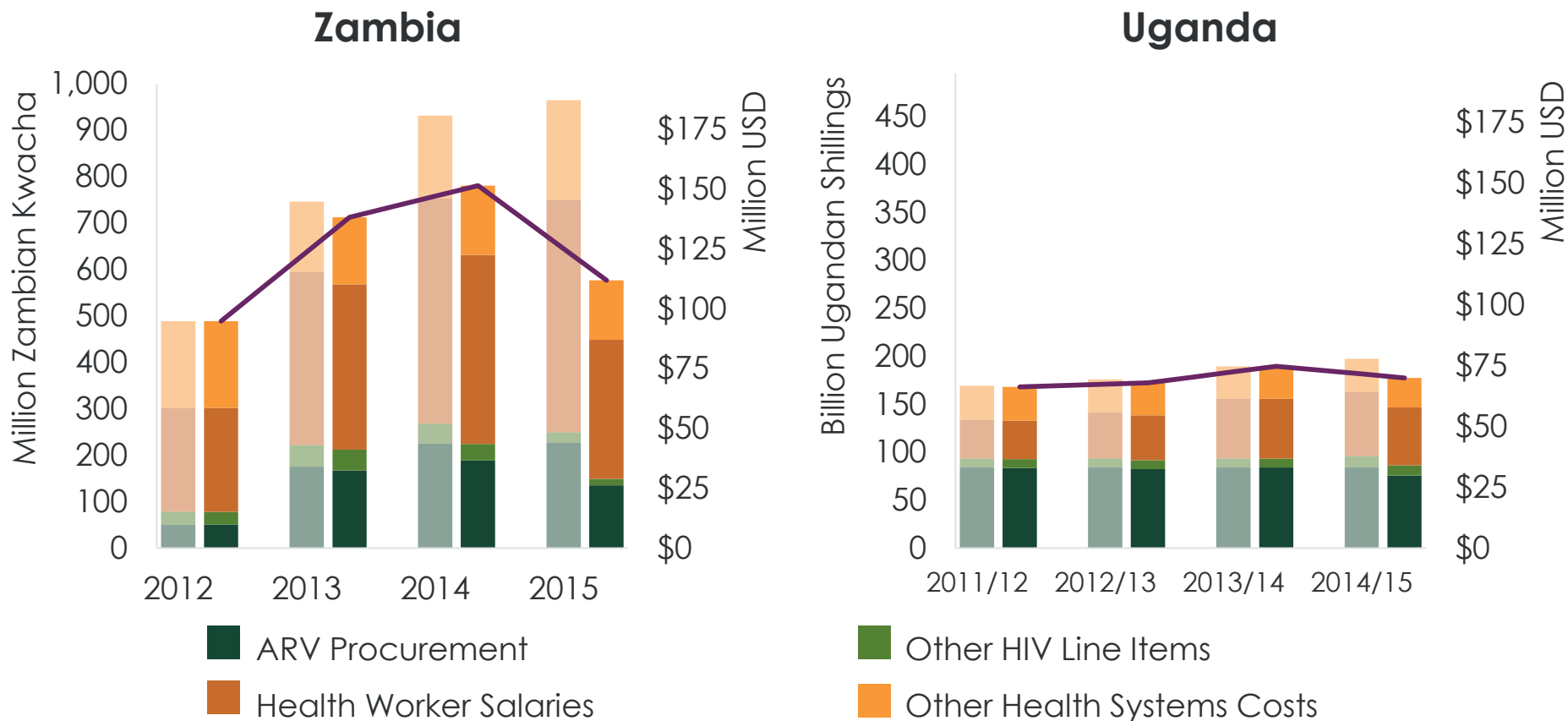
Uganda



HIV share of funding in line with or above HIV burden of disease (DALYs)

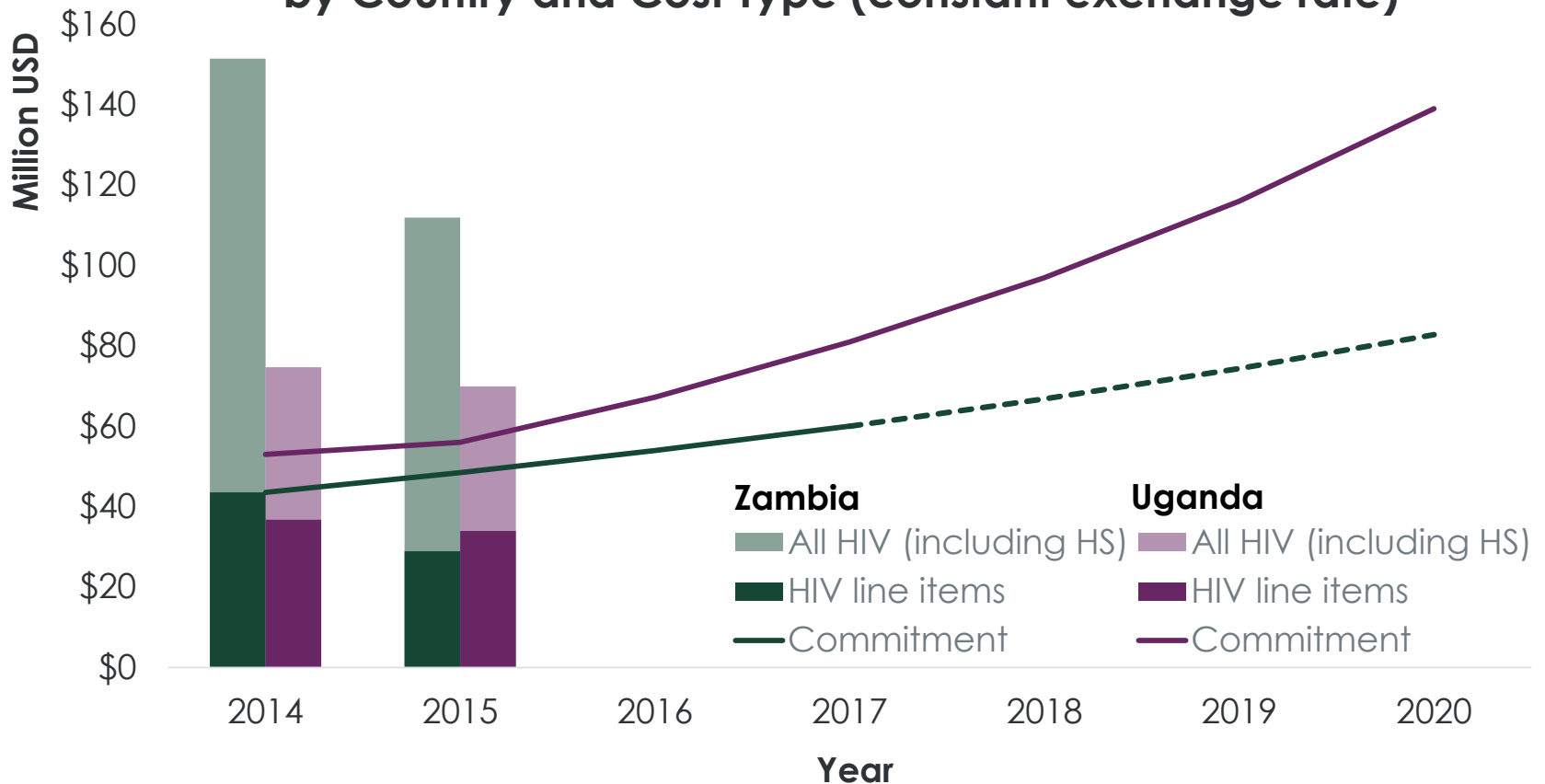
Government HIV Budget

HIV Budget by Country and Cost Type (2015)



Sources: MOF. 2013 & 2015. *Approved Estimates of Revenue and Expenditure*. Lusaka: Republic of Zambia; Ministry of Finance, Planning and Economic Development. 2012, 2013, 2014 & 2015. *Uganda Annual Budget Performance Reports FY 2011/12 – 2014/15*. Kampala: Government of Uganda.

Government HIV Commitments and Budget by Country and Cost Type (constant exchange rate)



Sources: NAC. 2014. *Revised National AIDS Strategic Framework 2014 – 2016*. Lusaka: NAC; MOF. 2013 & 2015. *Approved Estimates of Revenue and Expenditure*. Lusaka: Republic of Zambia; Ministry of Finance, Planning and Economic Development. 2012, 2013, 2014 & 2015. *Uganda Annual Budget Performance Reports FY 2011/12 – 2014/15*. Kampala: Government of Uganda; UAC. 2014. *The case for more strategic and increased HIV investment for Uganda 2015- 2025*. Kampala: UAC.

Macro-fiscal Constraints

	Zambia	Uganda
Real economic growth (2012–2015) ¹	↓ 6.8% to 3.7%	↑ 2.6% to 5.3%
External debt (as % of GDP) (2013–2015) ¹	↑ 17% to 32%*	↑ 26% to 41%
Public revenues (as % of GDP) (2015) ¹	15.2%	12.5%
Tax capacity ²	16.9% (2012)	19.5% (2011)
Tax effort ²	98% (2012)	64% (2011)
Resource dependence (rents as % of revenue) ³	19%*	13%
Formal sector (% of total workforce) ⁴	17%	11%
Foreign exchange (2015 Δ, US\$ per LCU) ⁵	↓ -42%	↓ -18%

*Copper, which accounts for the majority of resource revenues, fell from 17% of total revenues to 13% in 2015.

Sources: ¹African Development Bank. 2015. "African Economic Outlook." ²Fenochietto, R., C. Pessino. *Understanding Countries' Tax Effort*. International Monetary Fund. 2013. ³World Bank. 2015. "World Development Indicators." ⁴International Labor Organization. *Statistical update on employment in the informal economy*. 2012. ⁵OANDA

Finding New Domestic Resources

+ Social Health Insurance

- Improved pooling of health expenditure
 - OOP accounts for 37% (Zambia) and 69% (Uganda) of health expenditure
- Insurance accounts for $\leq 2\%$ of health and HIV expenditure
- Integration of private sector provision of HIV services (17% of domestic HIV expenditure, Zambia)

+ Technical Efficiency Improvements

- Uganda: ARV prices 90% higher than neighboring LICs*
- Zambia:
 - HRH is 52% of health budget; 100% more pppy for ART than LICs*
 - Overhead budget is high (30%) but limited data

*Ethiopia, Malawi, Rwanda, (Uganda)

Sources: Tagar E., M. Sundaram, K. Condliffe, B. Matatiyo, F. Chimbandira, et al. 2014. "Multi-Country Analysis of Treatment Costs for HIV/AIDS (MATCH): Facility-Level ART Unit Cost Analysis in Ethiopia, Malawi, Rwanda, South Africa and Zambia." PLOS ONE; Moreland, S., E. Namisango, A. Paxton, and R. A. Powell. 2013. *The Costs of HIV Treatment, Care, and Support Services in Uganda*. Chapel Hill, NC: MEASURE Evaluation.

Conclusions and Recommendations

Zambia

Macro-fiscal

- ❖ Promote macroeconomic stability and growth to **protect and increase fiscal space** for HIV and health overall

Resource Pooling

- ❖ Develop viable funding mechanism for **subsidized social health insurance (SHI)** schemes and integrate HIV services

Technical Efficiency

- ❖ Integrate current service delivery and pooling mechanisms (including private sector) to **reduce overhead and indirect costs**
- ❖ Promote **value for money in HRH** through improved training, task shifting, and salary structure

Uganda

Macro-fiscal

- ❖ Strengthen tax administration system to **reach tax capacity** and increase fiscal space for HIV and health

Resource Pooling

- ❖ Improve **economic and political viability of proposed SHI** funding and ensure inclusion of HIV services
- ❖ Integrate community-based health insurance to **increase pooling of out-of-pocket expenditure** and strengthen financial protection

Technical Efficiency

- ❖ Promote **bulk procurement agreements** to reduce ARV costs

HP+

HEALTH POLICY PLUS

Better Policy for Better Health



<http://healthpolicyplus.com>



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HealthPolicyPlusProject



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