

MYTHS & FACTS

DONOR FUNDING

for the global AIDS Response

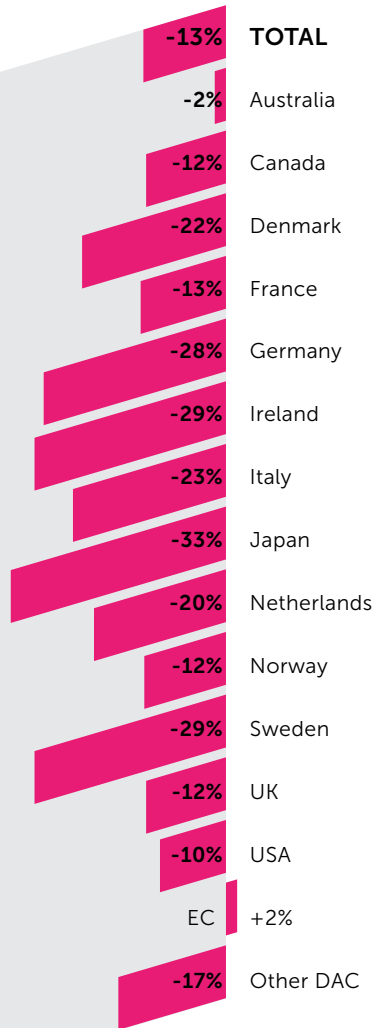
Over the past 15 years, wealthy countries have played a critical role in the global AIDS response through international development assistance.

In July 2016, the Kaiser Family Foundation released an **analysis** showing a decrease in funding to the AIDS response in low- and middle-income countries by major donor governments, for the first time in five years.

In the face of this shifting landscape in donor support for the global AIDS response, here's our attempt to help set the record straight.

MYTH #1

There is more than enough funding for the global AIDS response.



Percentage difference in international development assistance for HIV from governments 2014-2015

ACTUALLY...

Between 2014 and 2015 donor funding for the HIV response fell by almost 13%

According to Kaiser Family Foundation’s July 2016 report on International HIV assistance, donor governments reduced aid from \$8.6 billion to \$7.5 billion between 2014 and 2015. Thirteen out of fourteen governments assessed in the report showed a decrease. With this status quo, it will simply be impossible to reach global targets of 30 million people on treatment by 2020. Instead of accelerating progress to reach **the global goal of ending the epidemic by 2030**, donors’ reduced funding puts the AIDS response off-track and risks millions of lives.

MYTH #2

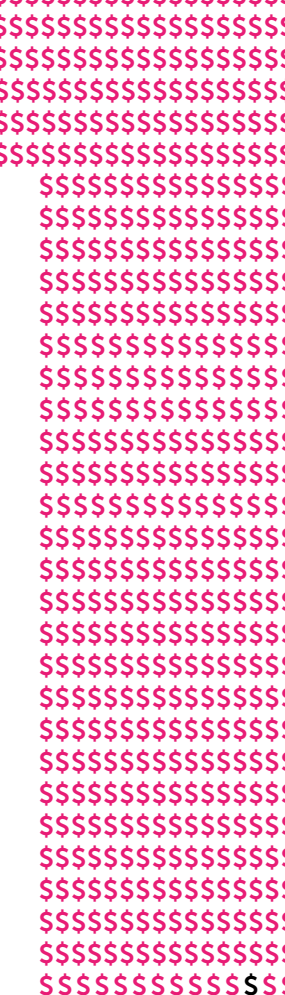
Donors have good reasons for reducing their support

ACTUALLY...

Claims that donors do not have enough resources to address competing humanitarian priorities are unsubstantiated.

Over time, donors have cited a number of excuses in justifying funding cuts. However, it’s less a matter of affordability and more a matter of often misplaced priorities. While some wealthy countries have cited the financial crisis of 2008 in justifying cuts to HIV programs around the world, these same countries spent \$18 trillion dollars in one year to bail out big financial institutions. To put this in perspective, this is more than 930 times what was spent by the entire world on the global HIV response in 2015.

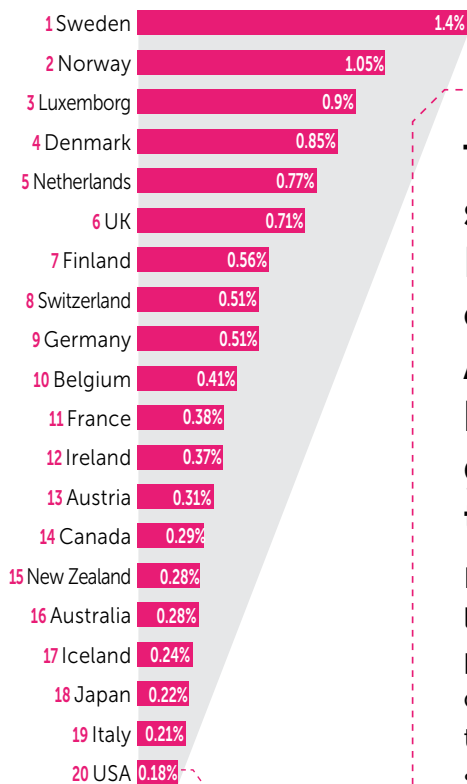
Some European countries have claimed that they need to divert resources to deal with the refugee crises. Yet many of these countries continue to fall significantly short of their commitment to allocate at least 0.7% of Gross National Income (GNI) to Official Development Assistance (ODA). Pitting people living with HIV in desperate need of medicine against people fleeing conflict in desperate need of safety is cruel, cynical and unnecessary.



In 2015 the world’s richest countries spent \$18 trillion on bailing out big financial institutions...

...total spending on the global HIV response in 2015 was just about 0.001% of this

Percentage gross national income spent on official development assistance by country.



MYTH #3

The United States is doing more than its fair share in terms of donor funding for HIV and development more broadly

IN FACT...

The United States only spends 0.2% of its Gross National Income (GNI) on Official Development Assistance (ODA) and has flatlined funding for global AIDS programs over the past three years.

Even though the U.S. is the single largest bilateral donor for global HIV programs and the largest source of official development assistance in terms of gross dollar amounts, it is still not paying its global fair share. The **United States Congress has flat-lined its financial contribution to the global HIV response over the past three years**, and are set to do so again for fiscal year 2017. In addition, the U.S. continues to lag significantly behind in terms of development assistance contributions relative to the size of its national economy, ranking 20 out of 28 wealthy countries in terms of the percentage of their national income spent on development assistance in 2015 and cutting ODA overall by US \$2.3 billion (or 7%) between 2014 and 2015.

MYTH #4

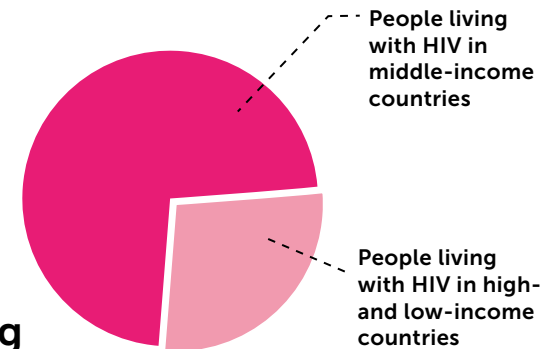
Middle-income countries no longer need donor support

ACTUALLY...

Sustaining and scaling up the AIDS response and reaching underserved populations, in many middle-income countries will continue to require donor resources.

Nearly 70% of people living with HIV live in middle-income countries. Most of these people are poor, many live in underserved and rural communities, and others who are so called key populations are often marginalized and criminalized by government policy. Some upper-middle income countries have refused to prioritize investing in HIV services for key population groups, who are often criminalized by the state, rendering these communities especially vulnerable if donors leave. Moreover, even when a country experiences sustained economic growth or when financial rebasing changes a country's income classification, external structural factors conspire against rapid increases in spending on HIV programs in many middle-income countries.

Structural factors that limit middle-income countries' ability to increase spending on HIV include: high prices



on medicines and other health technologies, due to intellectual property and investment rules found in trade agreements and the unwillingness of pharmaceutical companies to offer significant price discounts or access to voluntary licensing agreements to middle-income countries; pervasive problems of tax avoidance, illicit financial flows, and corporate corruption by multinational corporations that prevent increases in countries' gross incomes from translating into substantial increases in government revenue overall; and fiscal restraint (or structural adjustment) policies imposed on countries, which restrict government spending on health and other key services. Many of these barriers to increasing public expenditure on health are imposed on low and middle-income countries through the actions of international financial institutions or donor countries themselves.

MYTH #5

Donor cuts to middle-income countries will not have a negative impact

ACTUALLY...

Percentage of new HIV infections linked to intravenous drug use in Romania

3%
2010

30%
2013

When donors pull out of countries – even middle-income countries – prematurely, people die and often the epidemic resurges.

Several upper-middle income countries have already felt the impact of donors pulling out funding in their countries. These cuts are particularly deadly for key populations, especially when national governments are defaulting on their human rights obligations to ensure comprehensive HIV services, including effective prevention, for marginalized and criminalized groups. The Global Fund has defunded the AIDS response in several upper middle income countries such as Romania, where the gap in funding has led to a drastic increase in HIV cases, specifically in key populations. Romania's HIV cases related to injection drug use soared from 3% in 2010 to 29% in 2013. Much of this increase is linked to the lack of funds to provide basic prevention like condoms and syringes.

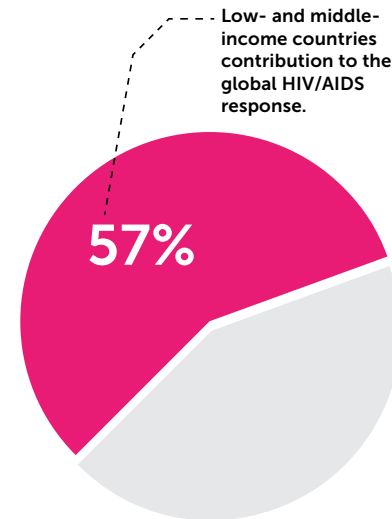


MYTH #6

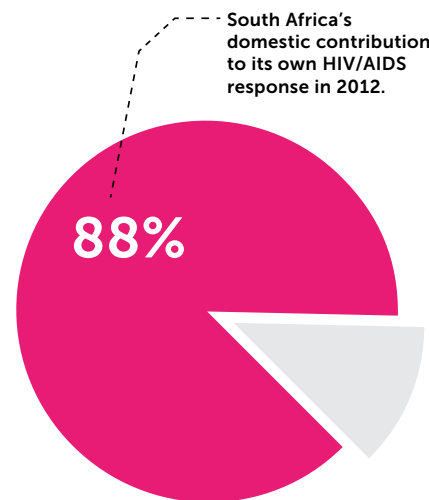
Low- and middle-income countries are not at all increasing their support to fight their own epidemics

ACTUALLY...

Low- and middle-income countries now pay for nearly 57% of the global HIV and AIDS response, a 4% increase since 2012.



Low- and middle-income countries have been consistently increasing their contribution to the HIV response over the past decade. For example, between 2006 and 2011, African Union countries increased domestic funding for HIV programs by nearly threefold. More recently, a few countries, particularly South Africa, have significantly increased their contribution.



Still, low- and middle-income countries can and should do more. Many African countries have still not delivered on the Abuja Declaration promise of allocating 15% of government funding towards health, for example. All low- and middle-income countries must make moves to live up to their human rights obligations by substantially increasing their investments for the HIV response and for health in general.

MYTH #7 We can end the global AIDS epidemic without increasing funding for the response

IN FACT...

Recent estimates from UNAIDS, suggest if the world wants to get on track to end the epidemic, it must increase annual spending on the global AIDS response by at least **US \$7 billion by 2020.**

UNAIDS estimates that we need to increase yearly expenditure to at least \$26 billion by 2020 in order to end the AIDS epidemic. In 2015, however, the world spent only \$19.2 billion on the global AIDS response, a considerable and concrete gap.

Donor cuts are already leading to harmful rationing of lifesaving HIV treatment and prevention services, undermining scale up in communities and geographic areas that are not given "priority" status. While, ensuring that all funding is focused on achieving the highest possible impact is critical, ending the AIDS epidemic requires access to quality treatment, prevention and care for all (not just some) who need it.

+\$7 billion

MYTH #8

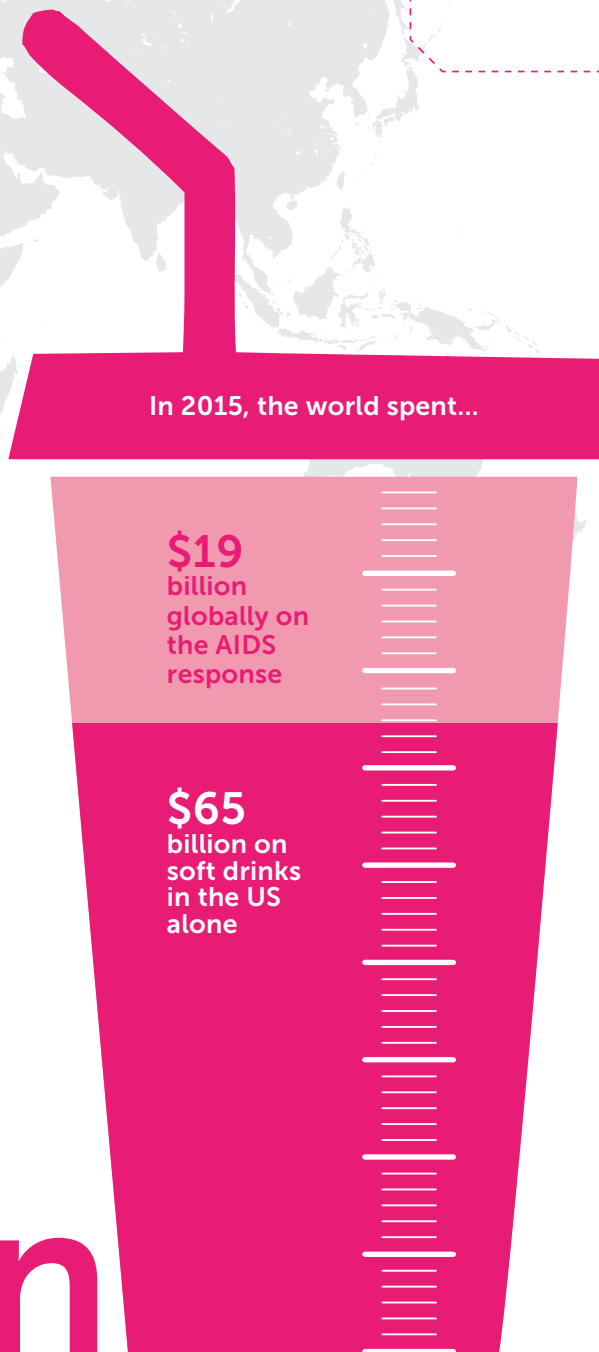
The world cannot afford the \$26 billion per year required to end the AIDS epidemic

ACTUALLY...

Mobilizing the additional funding needed to put us on track to ending the AIDS epidemic by 2030 is well within the world's reach. It is simply a matter of priorities.

In 2015, the world spent only \$19.2 billion on the global AIDS response. That's less than a third of what the United States alone spends on soft drinks each year (\$65 billion USD). UNAIDS estimates that what we spend on the global AIDS response each year needs to reach at least \$26.2 billion by 2020.

Increasing annual spending on the HIV response by \$7 billion by 2020 means that, over the next 4 years, the world must increase the amount of resources available by \$1.5 billion each year. This is approximately equal to the amount the US presidential candidates have spent on their campaigns in the 2016 election cycle (\$1.3 billion as of June 2016).



MYTH #9

Investment in the AIDS response is a bottomless pit, once we start we have to keep investing more and more

ACTUALLY...

If we pay to scale up treatment, prevention and care now, we will save later.

Frontloading investments now to achieve Fast-Track targets will result in **cost savings** in the future. According to UNAIDS, failure to increase funding now would translate to an additional 17.6 million HIV infections globally and an additional 10.8 million AIDS-related deaths between 2016 and 2030. Donor cuts will cost lives now and push the financial burden of ending AIDS into the future. We need bold initiatives to confirm steady financing of the **globally agreed targets** in order to end the pandemic by 2030.

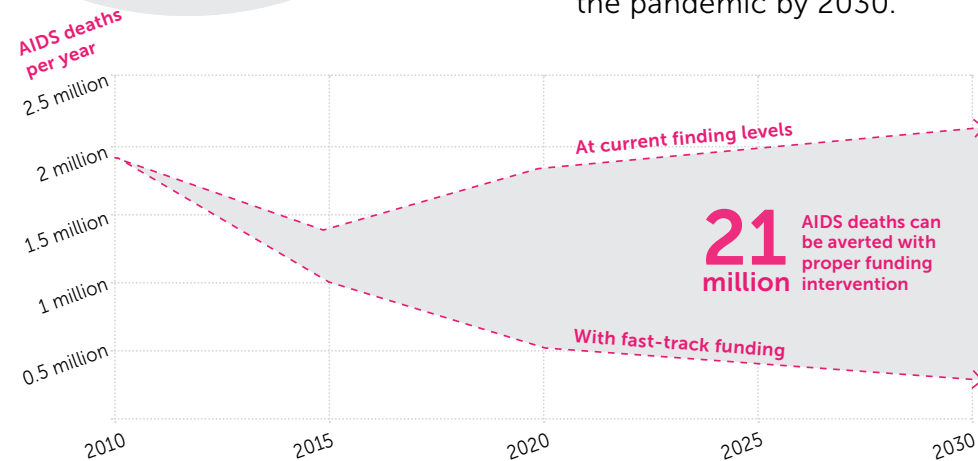
17.6 million

10.8 million

The global cost of failure to increase funding now.

New HIV infections by 2030

AIDS-related deaths by 2030



MYTH #10

Donor cuts, once they have occurred, are irreversible

ACTUALLY...

Donor cuts are utterly reversible before they become a trend and have been reversed in the past.

When global AIDS funding declined between 2009-2010 (\$7.7 to \$6.9 billion), donor commitments rebounded and increased—as early as 2011. **Civil society** played a critical role in this by **securing an increase in contributions to the Global Fund** from the United Kingdom. In contrast to the financial crisis that started in 2008, many donor countries are now experiencing modest economic growth. The same reversal of funding cuts can happen again and the world could see an end to the pandemic.

JOIN US

Call on your government to step up their contribution to the global HIV response

Check out these resources for more information:

- Kaiser Family Foundation & UNAIDS. 2016. Financing the Response to HIV in Low- and Middle-Income Countries: International Assistance from Donor Governments in 2015. Available [here](#).
- Open Society Foundations. Undermining the Global Fight: The Disconnect Between the Global Fund's Strategy and the Real-life Implications of the New Funding Model. Available [here](#).
- "The World Could End AIDS If It Tried". Editorial. The New York Times. June 13, 2016. Available [here](#).
- Health GAP Infographic: Global AIDS Response Under Threat: What Can Congress Do? Available [here](#).