

LEAVING NO ONE BEHIND?

Considering the impact of donor transition

UK AID saves millions of lives each year, making the world healthier, more peaceful and prosperous. As a result, more countries are moving from low- to middle-income status. Transition is the process whereby donors reduce or change the type of support they provide to a country, often based on economic indicators. But these indicators don't take health standards, inequality or a government's budgetary and technical capacity into account. With multiple donors withdrawing funding simultaneously, many countries are facing sudden and enormous funding shortfalls that they are realistically unable to meet. The implications for access to healthcare, particularly for the most vulnerable communities, are enormous and risk decades of hard-won progress. To prevent unnecessary deaths and deliver the promise of the Sustainable Development Goals (SDGs), we need to significantly improve how we manage these transition processes.

What economic indicators tell us, and what they don't

Between 2000 and 2017, overseas development assistance (ODA) for health increased from US\$ 2.7 billion to US\$ 15 billion. We can see the impact of these investments clearly. Under-five mortality fell from 93 to 39 deaths per 1,000 live births between 1990 and 2017. The number of people living in extreme poverty has fallen by more than 50% and the number of countries classified as "low income" by the World Bank fell from 63 to just 34 between 2000 and 2017.

Many donors view Gross National Income (GNI) as a good indicator for progress on the SDGs and use it to determine a country's eligibility for financial support. But GNI masks key indicators on health, inequality and a government's fiscal space. For example, today, more people living in poverty live in middle-income countries than in low-income countries. Middle-income countries have some of the highest disease burdens in the world; Nigeria has the fourth highest maternal mortality rate and South Africa has one of the highest incidence rates for TB globally. Furthermore, by focusing on GNI as a marker for development, key inequalities are masked and it is often the most marginalised communities that are most harmed by a premature or rapid transition away from aid.

Changing aid relationships

Gavi, the Vaccine Alliance, has vaccinated almost 700 million children since it was founded in 2000. Empowering countries to take ownership of their vaccination programme is a core component of Gavi's model. When countries meet a specific income threshold, they start a five-year process of transitioning away from Gavi

support. 15 countries have fully transitioned from receiving funding and now finance their vaccination programmes independently, with a further four countries expected to reach the end of Gavi support by 2020.

The Global Fund to Fight AIDS, Tuberculosis (TB) and Malaria has helped to save 27 million lives since 2002, providing the majority of international financing in the fight against the three epidemics. The Global Fund requires all countries to gradually increase domestic financing, with up to three years of transition funding available once countries become ineligible on the basis of their income status and disease burden. So far, 33 countries have lost some or all of their Global Fund financing, with a further 30 disease programmes expected to transition by 2025.

While the UK is a major donor to multilateral agencies like Gavi and the Global Fund and has significant influence over their policies, the same change in aid relationships can be seen in the UK's bilateral investments. Malawi, for example, has seen its bilateral funding from the UK drop by 58% in the last three years, while Ethiopia has seen a reduction of around 30%. We also see a marked shift away from bilateral investments in health towards the financing of infrastructure development through loans or aid spent through government departments other than DFID.

These are enormous changes for countries to manage, especially when multiple donors are pursuing different strategies at the same time. Many countries are unable to raise the resources to plug these gaps quickly enough, with huge strains placed on weak health systems that don't have the resilience to withstand shocks. While the UK Government has said it plans to make further changes to how UK Aid is spent, recent reviews by the Independent Commission on Aid Impact have found 'significant shortcomings' in how DFID manages transition processes.

Case Studies: Why transition matters

01 SIMULTANEOUS TRANSITION IN NIGERIA



The case of Nigeria is one of the clearest examples of why only using economic indicators to determine health financing is a dangerous policy. Nigeria has experienced rapid economic growth due to its oil and natural gas reserves in recent years, but still faces significant social and health inequities. Health services are among the most underfunded and underperforming in the world. Despite its middle-income status, Nigeria has the highest number of unimmunised children in the world, with less than 50% of children being immunised with a basic package of vaccines with some districts having vaccination rates as low as 3%.

Nigeria urgently needs to scale-up its domestic investment in health, which currently lies at just 0.9% of GDP, to address its significant health inequities. However, at the same time, the country is now facing simultaneous transitions from Gavi, the Global Polio Eradication Initiative (GPEI) and a number of other donors. Funding from the GPEI, which supports many elements of the immunisation system, is set to decrease by 47%, while at the same time, co-financing obligations

for Gavi are set to double. The country has already taken out a £500 million loan to cover critical health financing gaps. Gavi recently needed to extend Nigeria's transition period by a further five years as it became clear the country would be unable to fully finance its immunisation programme within the predetermined timescale given the scale of the financial challenges and the vast health inequities. With critical elements of the Nigerian health system still reliant on ODA, this underlines the need for comprehensive readiness assessments and coordinated planning by all donors well in advance of withdrawal dates.

02 TB DRUGS AND ANTIMICROBIAL RESISTANCE



When the Global Fund asks countries to increase their domestic investment in health, many opt to take over the procurement of TB drugs. In many cases, the procedures for drug donations are very different from those for domestically procured medicines. As countries take over this core health system function, an alarming number have faced drug stock-outs of vital, quality-assured drugs. This can be because national laws mean a country can only procure from domestically registered companies, lengthy tendering processes, poor quality assurance, or small purchase volumes driving up prices. Stock-outs are especially dangerous for TB, an infectious disease where any break

in treatment can lead to drug-resistance that is far more difficult and expensive to treat. Transition policies have to take into account the capacity building and legislative reforms needed to manage these changes many years in advance. We also have to make sure there are safety nets in place so that if things go wrong unexpectedly people are still able to access to medicines they need.

03 VULNERABLE AND MARGINALISED POPULATIONS

Marginalised and vulnerable populations such as women and girls, LGBT+ people, people who inject drugs and homeless people are often both most at-risk of ill-health and the least likely to be able to access care. In many countries, governments are unable or unwilling to offer interventions targeted at these communities and local civil society organisations access Global Fund financing directly to fill the gap. When the Romanian government failed to maintain funding for needle exchange programmes following the withdrawal of Global Fund HIV financing, HIV prevalence among people who inject drugs shot up from 3.3% in 2009 to 27.5% in 2013. Europe is now a region with the highest burden of multidrug-resistant TB and rising rates of HIV. This clearly illustrates the importance of critical services being maintained and the efforts that need to be made in planning, managing and carefully monitoring donor transition to ensure no one is left behind.



Building sustainability into the system

To protect the gains made over decades of careful investment, ensure value-for-money and that no one is left behind in the delivery of the Sustainable Development Goals, evidence-based, gradual and flexible transition policies are vital. DFID should ensure sustainable transitions for its bilateral programmes and make use of its board seats on the Global Fund, Gavi and other multilateral agencies to ensure transition policies are aligned on the following core principles:

- **Look beyond economic indicators** when determining when and how to transition
- **Consider the actions of other donors** when determining how a country should be asked to increase domestic funding
- **Plan from the start** with early and open communication engaging all relevant stakeholders
- **Be gradual and include safety nets** that allow for the reintroduction of some support should the need emerge
- **Ensure country ownership** of the transition process and support countries in managing these processes well
- **Engage civil society** in planning for transition, delivering key services and holding leaders to account
- **Include effective monitoring and evaluation** to track progress, hold to account and ensure early warning should things go wrong