

HEALTH POLICY PLUS

Social Contracting: Supporting Domestic Public Financing for Civil Society's Role in the HIV Response

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Background

Throughout the HIV pandemic, civil society organizations (CSOs) often have been first responders to the HIV response. Reflecting this reality, CSOs have been an integral part of the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund) activity implementation since the inception of both landmark global health initiatives, playing a critical role across global, country, and community levels. CSOs have been able to extend and expand the reach of government-led health systems, adding value to HIV prevention efforts and supporting persons living with HIV in adherence and retention of services. The organizations are instrumental in shaping public health policy and governance of country and local programs, as well as in leading advocacy for reforms that reflect rights-based approaches. The benefits CSO service delivery provides to national governments are essential to any HIV response, including their unique role in reaching vulnerable and marginalized persons impacted by HIV.

The Global Fund defines "social contracting" as mechanisms that allow for government funds to flow directly to CSOs to implement specific activities, though the term may vary by country or region (Global Fund, 2017). Governments can finance CSOs through a variety of methods, including grants, procurement and contracting, and/or third-party payments (UNDP, 2010).

Transition to National Response

Globally, donor funding for HIV increased annually for 15 years, beginning with the inception of the Global Fund in 2002. 2015 marked the first year that financing from donor funding decreased; 2016 likewise saw a decrease in funding (Kates, 2017). In recognition of this decline in funding, PEPFAR and the Global Fund have developed guidance for countries to routinely examine the sustainability of their HIV programs and to begin planning for increased domestic financing of their HIV response. Countries must begin strategically thinking about full domestic financing and ownership, and expand resource investments to sustain epidemic response, regardless of economic growth or epidemic control status (Global Fund Board, 2016).

This emphasis on program sustainability and transition away from external funding places civil society in an uncertain position, as civil society's role in the HIV response—providing services and social mobilization—is primarily (if not entirely) funded through external resources. In 80 percent of PEPFAR-supported countries, HIV and AIDS-related CSOs receive minimal funding (1–9 percent) from domestic financing (PEPFAR, 2017).



Social Contracting

One policy reform aimed at maintaining the critical role of civil society in the HIV response in concert with domestic resource mobilization efforts is the development of government-led mechanisms to finance civil society through formalized contractual channels. Such partnerships between governments and civil society are widely referred to as “social contracting mechanisms.”

Social Contracting Process

The process of social contracting is not simply that a government provides grants or subventions to CSOs, but requires a number of policy, financial, and programmatic initiatives to ensure successful implementation. Before embarking on the process of social contracting, stakeholders should consider the roles of CSOs, which services are needed, and how active CSOs are in the country response to HIV. For example, in contexts where stigma and discrimination in government services is lower, CSOs may be most effective in providing support for adherence and retention, while in other contexts with higher stigma and discrimination, CSOs may be needed to provide services across the cascade—prevention, testing, and linkage to care and support. Governments, CSOs, and external funders can all be engaged in supporting social contracting implementation. Table 1 provides key activities that CSOs, government and policymakers, and external donors can take to support implementation.

Table 1. Key Activities for Developing Government Social Contracting to Civil Society

Steps in the social contracting process	Civil society organizations	Government agencies and policymakers	External donors
Review and understand legal and regulatory needs for social contracting mechanisms	<ul style="list-style-type: none"> Support and engage in analysis on country ability to provide funding to CSOs 	<ul style="list-style-type: none"> Determine which funding mechanism would be the most appropriate for the country context 	<ul style="list-style-type: none"> Assist with the development of the social contracting funding mechanism
Develop/adapt regulatory process for selecting CSOs for contracting	<ul style="list-style-type: none"> Advocate for transparency and accountability in the contract selection process 	<ul style="list-style-type: none"> Develop transparent procurement and contracting processes 	<ul style="list-style-type: none"> Provide best practices globally on transparent review and accountability processes
Ensure domestic finances are available for social contracting mechanisms	<ul style="list-style-type: none"> Conduct analyses on funding sources for social contracting and advocate for annual predictable financing to be included as a budget line item 	<ul style="list-style-type: none"> Ensure adequate, predictable funding is available for social contracting to civil society 	<ul style="list-style-type: none"> Provide seed money for pilot initiatives of social contracting in country
Provide quality implementation and monitoring of publicly-financed services	<ul style="list-style-type: none"> Strengthen capacity in organization for management, reporting, and technical monitoring and evaluation for public financing 	<ul style="list-style-type: none"> Develop systems to fund and monitor CSO contract work 	<ul style="list-style-type: none"> Assist CSOs and government on effective implementation and monitoring of work

Country Example: Although Croatia has a low-prevalence HIV epidemic, prevalence is highest in key populations, including men who have sex with men (2.8 percent), sex workers (1.5 percent), and people who inject drugs (0.2 percent). Croatia received Global Fund support from 2003 to 2006 for its HIV response. Since then, the country succeeded in securing commitment from decision makers to remain aggressive in progressing toward the country's HIV strategies and goals, with full inclusion of CSOs in the response. As part of its strategy, Croatia developed a number of mechanisms to foster partnership between the government and CSOs, including allocating financial resources to CSOs. In 2014, the Croatian government allocated US\$733,460 to HIV services provided by CSOs. Eight years after Global Fund support came to an end, nearly all of the CSOs that received Global Fund money were still active in the HIV response, providing necessary clinical and social services for key populations (Đurić et al., 2015).

Strengthened Engagement Between CSOs and Government

In addition to channeling resources to organizations that can provide direct services to populations, social contracting offers the opportunity to build greater governance, accountability, and partnership between national (or local, in a decentralized system) governments and CSOs. During the process of procurement, CSOs can advocate for the government to provide transparent guidance on proposal content. As CSOs implement activities, access to government data to ensure effective programming at the site level is critical. The opening of such channels of communication builds partnership across entities and aligns their strategic activities. CSOs may even have the opportunity to become more engaged in the process of policymaking, as they are able to provide site-level perspective on the allocation of government resources to better achieve country targets and epidemic control.

HP+ Social Contracting Examples

The Health Policy Plus (HP+) project, funded by the U.S. Agency for International Development (USAID) and PEPFAR, is providing technical assistance to countries to best prepare for donor transitions and help governments and CSOs with understanding and implementing social contracting mechanisms through financial and policy means. Highlights of HP+'s social contracting work include the following activities conducted in several countries:

Guyana

- HP+ conducted a social contracting legal and policy analysis of the country's HIV response. Working with stakeholders, HP+ identified immediate next steps to develop and implement a social contracting mechanism.
- The project is developing a costing tool to calculate unit costs of the HIV services that CSOs provide. Such data can be used by the government to plan allocation of funds via social contracting mechanisms. These unit costs will also support CSOs with advocating for funding commitments and social contracting agreements.



Vietnam

- Working with the Vietnam Network of People Living with HIV, HP+ is conducting a social contracting feasibility analysis in two decentralized districts, which will help local governments in developing social contracting programs.

Kyrgyzstan

- HP+ is working to build the capacity of the Ministry of Health and government officials in implementing social contracting. This support includes facilitating a study tour to Croatia to understand its social contracting mechanisms.
- The project is also helping to develop the country's social contracting program based on current national social contracting law, providing policy analysis and development technical assistance along with economic and financial analysis to identify the government's targets and procurement estimate needs for CSO contracting.

What is Meant by Civil Society?

Social contracting can benefit all types of CSOs including nongovernmental, local organizations, faith-based organizations, networks/coalitions, professional associations, advocacy groups, groups representing key and vulnerable populations, community associations, and private sector organizations.

References

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Contact Us:

Health Policy Plus
1331 Pennsylvania Ave NW, Suite 600
Washington, DC 20004
www.healthpolicyplus.com
policyinfo@thepalladiumgroup.com

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