Improving Value for Money in Funding HIV Services in Developing Countries

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Although there is nearly $16 billion in worldwide funding for human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS) services, countries with the highest burden of disease rely heavily on donor funding for their HIV programs, including such sources as the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). In recent years, commitments from these organizations have flattened or even declined while demand for HIV/AIDS care continues to rise. To meet the continued need for more HIV services in developing countries, existing resources need to be better leveraged, i.e., to provide improved value for money. Such efficiency improvements would allow life-saving services to be provided to more people in need without necessarily requiring an increase in funding.

A RAND study examined options for improving value for money in HIV program funding through a case study focusing on funding for antiretroviral therapy (ART) through the two largest funders, PEPFAR and GFATM.

Key Findings

The researchers' assessment of available input and output data found the following:

- **Spending Allocations.** Spending allocations across direct and indirect services are not currently based on increasing value for money (efficiency). Allocation of funds among *direct services* (such as prevention and treatment) is made in accordance with loose (and sometimes competing) organizational guidelines. In fiscal year 2010, *indirect services*, which include capacity investments, such as health system strengthening and training of government officials, ranged from about 19 percent of the total budget for PEPFAR to 29 percent for GFATM. Such investments might lead to future cost reductions but limit the money currently available to provide services to people with HIV. Overhead and administration costs were found to be increasing for both organizations, with the rate for GFATM reaching nearly 8 percent in 2009 and that for PEPFAR reaching 11 percent in 2010.
- **Performance Measurement.** Neither funder has implemented a system based on explicit performance measures that link financing inputs with program outputs, such as the number of people on ART to the money spent to put people on ART. Current measures look either at the money being spent or at the outcome level, such as when PEPFAR mandates that a certain percentage of its funds be planned for treatment instead of prevention. As long as these two dimensions are not linked, funders have no information on how to allocate monies toward better-value-for-money services.

Recommendations

The researchers recommend that PEPFAR make expenditure data available to the public in a transparent fashion on an annual basis and that GFATM make its data accessible for each program funded. Program output indicators to track indirect services should be further developed. Both organizations need to determine the specific trade-offs between providing current services and supporting future ones and should use this information in making funding decisions. Finally, it is imperative that organizations providing HIV program funding place an explicit emphasis on improving value for money by finding ways to better leverage existing monies.

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