



# **Taking stock of budget advocacy efforts in E a s t e r n E u r o p e , S o u t h - E a s t e r n E u r o p e a n d C e n t r a l A s i a**

## **UKRAINE COUNTRY CASE**

**Vilnius, 2021**

# Ukraine

Population:	<b>44.0 million</b>
PLHIV number estimated:	<b>260'000</b> (2020, UNAIDS estimate)
PLHIV virally suppressed:	<b>53%</b> (2020, UNAIDS estimate)
Health expenditure as % of GDP:	<b>7.7%</b> (2018, WHO data)
Health as % of government expenditure:	<b>8.9%</b> (2018, WHO data)

## Government contribution to the HIV response, US\$

	2017	2020
- overall HIV expenditure	42.9% 46.2 million	42.3% (2019) 42.2 million (2019)
- HIV treatment	23% (2016) 12.8 million (2016)	56% (2019) 22.1 million (2019)
- HIV prevention	18% (2016) 3.3 million (2016)	20% (2019) 2.7 million (2019)

*80% for ART alone in 2020 & 100% in 2021 (2020, Public Health Center<sup>1</sup>)*

*All data from UNAIDS financial dashboard*

## HIV budget advocacy: How civil society organizes itself and how it is funded

Ukraine's landscape of HIV advocacy and community system strengthening is particularly vibrant. There are some 70 NGOs currently providing HIV services, and at least a similar number of community groups are engaged in mobilization of key population groups, often united in national networks, and a strong set of watchdog and expert NGOs operate in the country. With one of the most severe HIV epidemics in the EECA region, the country benefits from a significant presence of donors and the ability of national partners to attract international projects on HIV, accountability, and human rights. With the support of UNAIDS, AFEW Ukraine, and others, the National Platform for Key Communities was formalized in late 2017 and used the PITCH and the Global Fund's country grant to build the meaningful participation of key population representatives in regional and national coordination bodies for HIV and TB. There are other different platforms for coordination in different thematic areas but no specific separate platform for coordination of all civil society. HIV and TB budget advocacy is being coordinated among multi-sectoral stakeholders under the Strategic Group for the Implementation of the Transition Plan of the National TB and HIV/AIDS Council (NC, which also serves as the CCM). It includes representatives from the

<sup>1</sup> Hetman L, The Public Health Center under the Ministry of Health presentation 'Optimization of antiretroviral therapy in Ukraine 2017 - 2020' at the [Regional meeting on the access and prices of the ARV drugs in SEE countries, 15 December 2020](#)

Public Health Center under the Ministry of Health, other government institutions, international and technical partners, civil society, communities, and others. The Global Fund supported work on human rights and advocacy is planned and coordinated among the three principal recipients including the Center for Public Health under the Ministry of Health; they have signed Memorandum of Understanding and workplans.

The two civil society principal recipients of the Global Fund's country grant: 100% Life (a PLHIV-led network); and the Alliance for Public Health; manage most advocacy initiatives implemented by civil society with funding from the Global Fund, USAID and others. They act as both implementers and donors to other civil society groups. 100% Life leads advocacy for better pricing of HIV, TB, hepatitis medicines and attracted support for this work from Aidsfonds and UNITAID. Local and regional organizations are extensively engaged in budget advocacy through several initiatives, notably with support from the International Renaissance Foundation (IRF) and OSF, and the Global Fund program's advocacy programming under the country grant, managed by 100% Life. Coordination between the two donors is eased by the engagement of the same TA and capacity building platform, the Budget Advocacy School for Capacity Building. The Institute of Analysis and Advocacy, closely linked to the Budget Advocacy School, serves as an analytical hub for monitoring the transition and reform-related developments across various regions, and offers additional solutions and is one of the most active members of the NC's Strategic Group for the Implementation of the Transition Plan. Furthermore, the IRF, which sees budget advocacy as part of broader efforts to enhance accountability and good governance in health, also helped to engage transparency groups like Open Contracting Partnership which now works on procurements in health in Ukraine.

Budget advocacy funding amounts and sources, US dollars:

<b>US\$5 million* in 2018-2021</b>	<b>34%</b> (US\$1.7 million): Netherlands & Aidsfonds
US\$1.25 million annually	<b>25%</b> (US\$1.26 million): country grants from the Global Fund
	<b>20%</b> (US\$1 million): International Renaissance Foundation and OSF
	<b>9%</b> (US\$466,923): UNITAID for medicine patent-related work
	<b>8%</b> (US\$384,800): Cities project from the Global Fund
	<b>3%</b> (US\$173,337): USAID/PEPFAR

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*\*part of this budget is covering human rights advocacy and community mobilization.*

## Key achievements and progress

Ukraine secured a major increase in domestic funding for its national HIV program. Its 20-50-80 transition plan outlined ambitious milestones reflecting a progressive annual increase in the portion of funding for HIV prevention and care support programs from domestic public investment from 20% in 2018 to 80% in 2020. This transition formula received much public investment from 20% in 2018 to 80% in 2020. This transition formula received much

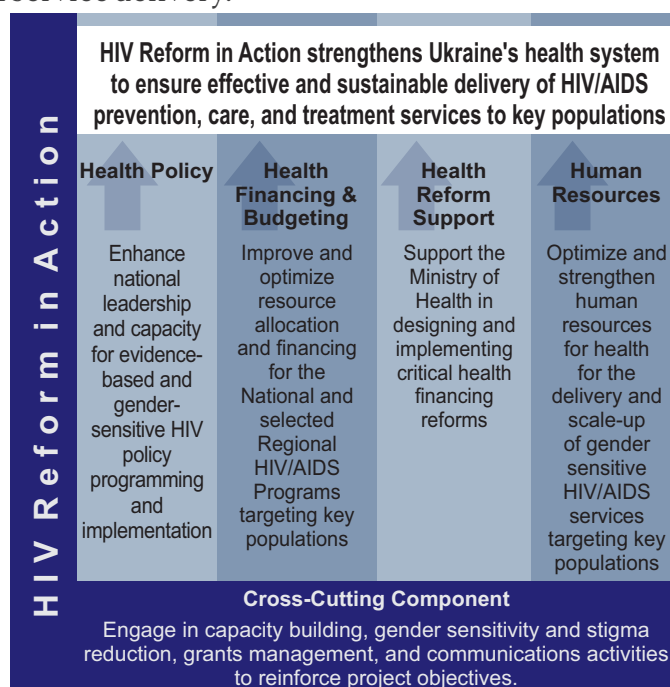
global interest and praise<sup>2,3</sup>, particularly because Ukraine began to build financial sustainability early, while it is still a lower-middle income country, and despite an ongoing conflict in Donbas. The transition also enabled significant expansion of prevention programming implemented by NGOs. The following analysis of the preconditions for and implementation of the 20-50-80 plan show that many challenges were overcome (often due to the efforts of leaders with roots in the HIV movement) and some challenges remain.

## Health system reform enhancing the HIV response

The 2014 Maidan revolution brought a new government to power which was committed to reforms. In the same year, the Ministry of Health, together with the IRF, formed a Strategic Advisory Group which, in 2015, put forward the National Health Reform Strategy for Ukraine 2015-2020<sup>4</sup>. The reform document replaces the Soviet control-based model of sanitary epidemiological service with a 'public health' system, aimed to preserve and promote health, including by strengthening social participation and emergency preparedness against health threats like HIV and TB epidemics. Before the reform, harm reduction and other services for key populations could not find space in the government health and social systems because they were so different from traditional medical or social services. Now they are an integral part of the official public health system. Health reform moved the country towards an insurance-based system that includes HIV in the 'universal uninsurable packages' which are to be provided for people independently of their insurance status. Furthermore, the reform strategy recognizes the role of civil society in service delivery.

## Donor flexibility

Existing initiatives shifted their programming to ensure technical and financial support for the reforms. Since 2013, USAID/PEPFAR has funded Deloitte to implement a multi-partner 5-year project, called 'Health Systems Strengthening for a Sustainable HIV/AIDS Response in Ukraine' but more commonly known as HIV Reform in Action (HIVReA). In 2015, Deloitte refocused the last 3 years of the project to support health system reforms and building HIV sustainability including revisiting service delivery models and public funding mechanisms, such as piloting the first decentralized



<sup>2</sup> 20-50-80 to reach 100 in Ukraine. UNAIDS feature story, 06 November 2020, available at: [https://www.unaids.org/en/resources/presscentre/featurestories/2020/november/20201106\\_ukraine-20-50-80](https://www.unaids.org/en/resources/presscentre/featurestories/2020/november/20201106_ukraine-20-50-80)

<sup>3</sup> Nechosina, O., O. Semeryk, A. Nitsoy, I. Reshevska, R. McInnis, and K. Beardsley. 2019. Social Contracting in Ukraine: Sustainability of Non-Medical HIV Services. Washington, DC: Palladium, Health Policy Plus. Available at: [http://www.healthpolicyplus.com/ns/pubs/15337-15613\\_SCUkraineanalyticalbrief.pdf](http://www.healthpolicyplus.com/ns/pubs/15337-15613_SCUkraineanalyticalbrief.pdf)

<sup>4</sup> Patients of Ukraine, Ministry of Health of Ukraine, IRF & Strategic Advisory Group. National Health Reform Strategy 2015-2020. Available at: [https://en.moz.gov.ua/uploads/0/16-strategy\\_eng.pdf](https://en.moz.gov.ua/uploads/0/16-strategy_eng.pdf)

years of the project to support health system reforms and building HIV sustainability including revisiting service delivery models and public funding mechanisms, such as piloting the first decentralized model of public contracting of HIV services delivered by NGOs in 2017-2018.

### **HIV civil society experts as agents of change**

HIV civil society experts were important agents of change, influencing the development of the reform document. Professor Volodymyr Kurpita who was the Executive Director of the All-Ukrainian Network of PLHIV (now 100% Life) became the Chair of the Strategic Advisory Group. A number of professionals from civil society joined government structures including the Ministry of Health and the newly established the Public Health Center (which led the process of conceptualizing and leading the practical development of the public health system) in order to be involved in implementing the reform. There were also regional civil society actors serving agents of change, often trained and supported under the HIVRiA project and the IRF efforts.

### **Budget advocacy**

The IRF and its global partner, Open Society Foundations, had introduced the concepts of budget advocacy and increased accountability to the HIV movement even before the health system reforms began. With their support, the NGO, Light of Hope, a successful community-led advocacy group and service provider in Poltava, helped to contextualize the concepts of budget advocacy for HIV in Ukraine, and establish the Budget Advocacy School for capacity building on HIV budget analysis, advocacy, and preparedness of NGOs for entering government contracts. The IRF found a strong national ally for supporting regional advocacy for increased reliance on domestic funding in the NGO, 100% Life, (then Ukrainian Network of PLHIV), with the Global Fund grant and USAID project support. The success of generating significant investments from local budgets helped to convince the other principal recipient, the Alliance for Public Health (then International HIV/AIDS Alliance in Ukraine) and others in the country that it was realistic to mobilize substantial public funding to replace the Global Fund and PEPFAR support for programming for key populations.

### **The 20-50-80 transition plan**

When the Global Fund's Board adopted the Sustainability, Transition and Co-Financing Policy, Ukraine got a clear message to plan for reduced donor investment and increased domestic resources during the new 2017-2019 funding allocation cycle. The NC's Strategic Group for the Implementation of the Transition Plan agreed to the 20-50-80 Transition Plan in 2017.

As the country was preparing its funding request to the Global Fund in 2017, the leaders of the new PHC and other stakeholders were eager to showcase the government's increased capacity and commitment. By then, 60% of the cost of ARVs were already funded by the government and in 2018 the government committed funding 80% of the OAT medications. Domestic funding for prevention would be needed for the country to live up to its 20-50-80 commitment.

## Finding the funds through engagement with budget planning cycles

The implementation of the 20-50-80 plan faced major challenges. In 2018, advocates engaged with 2019 state budget cycle late (having started in November though planning had begun in March). By the time they got involved, the budget plan was already struggling with a high deficit. Nonetheless, a new budget line for public health services including key population programming was created, despite a challenging dialogue with the Ministry of Finance. The PHC decided to combine the three national programmatic documents on HIV, TB, and hepatitis into one strategy for the three diseases, the State Strategy in the Area of Response to HIV/AIDS, TB and Viral Hepatitis until 2030<sup>5</sup>. One respondent estimated that this integrated program created efficiencies that enabled savings of some 3-4 billion Ukrainian hryvnia, some of which were invested in prevention. It was significantly easier to influence planning of the 2020 state budget because there was already a specific budget line for public health services. The PHC and civil society engaged with the 2020 budget planning cycle early.

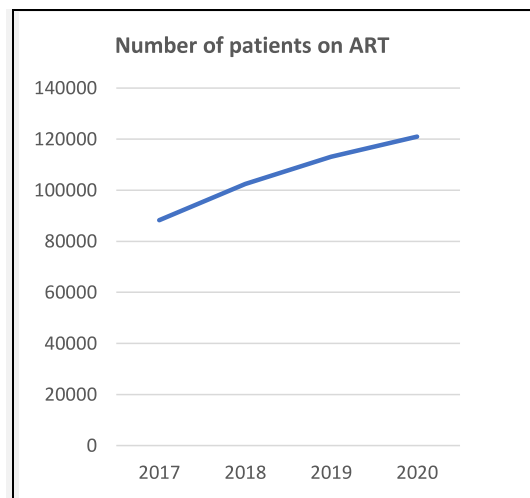
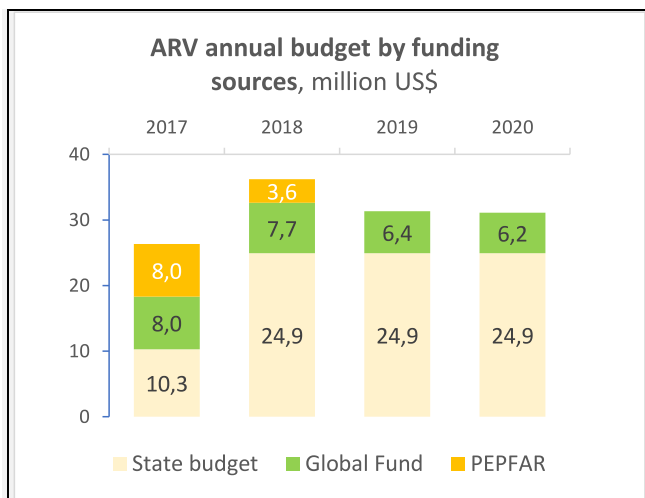
### Case: HIV treatment optimization creating savings that are reinvested in expanded access

In 2016-2020, Ukraine underwent optimisation of their HIV treatment program, moving away from a highly individualized approach that used multiple combinations of HIV medications to more public health approach. It adopted newer regimens for the first line as recommended by the WHO, offering newer treatments and expanding the use of dolutegravir (DTG) which has a high resistance barrier and low toxicity. At the same time, the annual cost per patient of DTG-based regimen TFC/FTC + DTG was cut from US\$1854 in 2016 to US\$121 in 2018. Similar cuts were seen across different ARVs.

This treatment optimization and improved pricing supported the country's transition from donor support to full coverage of ARVs from the state budget, starting from 2021. At the same time, ART coverage was scaled up with an additional 32,000 PLHIV enrolled between 2017 and 2020 contributing to a total of 120,000 people receiving ART by the end of 2020. The average cost of ARVs per patient per year dropped from US\$298 to US\$257 in the same period, allowing more patients to be treated with less incremental cost. Savings in treatment budgets (along with the reforms in public health described above) freed state funds for prevention. Additionally, optimization made management easier - simplified forecasting and improved management of procurement of medicines. Not only the optimisation enabled much faster treatment initiation, with 56% of people initiating ART on the day of their diagnosis. It also opened more possibilities for engaging primary care in treatment provision. Initially, the optimisation was met with significant resistance from clinicians and some PLHIV community leaders, however, this was reversed over time.

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<sup>5</sup> Available in the Ukrainian language at: <https://zakon.rada.gov.ua/laws/show/1415-2019-p#n11>



Partnership between the Public Health Center, and the patient community represented by 100% Life together with external expertise from WHO and donors were critical both for changes in clinical regimens and price reduction. 100% Life partnered with the International Treatment Preparedness Coalition and used the Global Fund's country grant and UNITAID support to: identify priority medicines and strategies for reducing prices; improve treatment budgets; engage in strategic patent litigation; negotiate with manufacturers and others; and to press patent-holders to include Ukraine in voluntary licenses to the Medicine Patent Pool.

*Based on Hetman L, The Public Health Center under the Ministry of Health presentation 'Optimization of antiretroviral therapy in Ukraine 2017 - 2020' at the [Regional meeting on the access and prices of the ARV drugs in SEE countries, 15 December 2020](#)*

### Finding a model for contracting NGO services

An initial decentralized model of sub-contracting NGOs through regional health authorities, piloted in two oblasts with strong NGOs, Sumy and Poltava, was not successful. The model had to be rethought. Different options were considered, including the Ministry of Health contracting providers through the current principal recipient NGOs as intermediaries, however, the size of those two contracts would substantially increase the rigidity and length of the public procurement procedures. In the revised model, the PHC was selected to serve as the direct contractor of the NGO service providers, providing one contract per key population in each administrative region (oblasts and the Kyiv city) through a unified portal for all state public procurements, [www.prozorro.ua](http://www.prozorro.ua).

Reaching agreement on the documentation for tendering, service standards, costing and other elements required addressing the needs of HIV community and the government agencies as well as alignment with state budget and public procurement regulations. It was a learning process for all partners and required significant interaction and efforts between the PHC, the Ministry of Health and the Ministry of Finance to fine tune the documents that would eventually be approved by the latter. Two personalities, one from government (Viktor Liashko who served as the deputy director of PHC at the time and currently is the Minister of Health) and another from grass-roots civil society (Maxim Demchenko from NGO Light of Hope) led much of thinking around the national HIV response's sustainability.

In 2019, the first pilot service contracts were issued in October, leaving only 3 months instead of 6 months for implementation. The Global Fund increased its share for prevention and treatment support that year. In 2020, the pilot continued with greater preparedness within the PHC and among NGOs. The PHC had to build its own capacities, engaging with lawyers and experts in procurement procedures, and address the cancellations of tenders where complaints were received. Other challenges came up during those processes. The government lacks flexibility; a high administrative burden came along with the contracts. There was significant dissatisfaction from service providers, notably those that serve the MSM community. NGOs with large service contracts with the state lose their non-profit status which is important for them to have as it enables lower taxation, lighter reporting requirements, exemption from paying VAT, and less control from fewer state institutions. Contracts for periods longer than one year (otherwise called 'framework contracts') are not possible. Only basic packages are supported through state programs. Some NGOs competing for the contracts offered 'dump' prices (unfeasibly lowered prices) and there were conflicts among service providers that required mediation to enable them to agree on joint bids for state contracts instead of competing.

## Challenges ahead

Work towards a sustainable HIV response in Ukraine is far from over. The 20-50-80 plan formally came to an end in 2020. National respondents indicated that, as the 20-50-80 plan foreseen, by 2021, the Public Health Center funds more than 90% of the basic packages of prevention among the three key populations (amount to more than US\$2 million in 2020 alone<sup>6</sup>), while the donors support all the commodities and supplementary services. Based on the projections of funding needs and domestic funding for programming among the four groups (PWID, MSM, sex workers and transgender people) for 2021-2023, less than one quarter of funding needed will be funded from domestic sources in 2023. Domestic funding is projected to increase for people who inject drugs, however, its reduction is planned among MSM<sup>7</sup>. Also, state funding for HIV prevention covers only basic services. While some expect national funding to support the more comprehensive services that are now funded by the Global Fund and USAID, others believe regional authorities should take over funding these.

HIV and TB services are increasingly integrated into primary care services (for example, OAT could be delivered through family doctors since 2017). NGOs, which traditionally worked with specialized vertical AIDS, TB and narcology centers, will need to adjust their role and partnerships to adapt to these changes.

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<sup>6</sup> Public Health Center's data posted at: [https://socialcontracting.info/countries/ukraine-2019/?country\\_section=financy](https://socialcontracting.info/countries/ukraine-2019/?country_section=financy)

<sup>7</sup> Based on Ukraine TB and HIV funding landscape's 'HIV Gap Detail Module' sheet, submitted to the Global Fund as part of the country's funding request. Accessed at: <https://data.theglobalfund.org/investments/documents>



## Lessons

Ukraine's story is particularly bold both in terms of the change that was envisioned and how stakeholders approached making the envisioned change take place. Some key factors in Ukraine's success that make it stand out from other countries studied include:

- A strong civil society enabled people from the HIV community to become agents of change influencing health reform overall and strong collaborative approach during the transformation.
- Health reform was designed (in addition to other objectives) to enable an improved response to HIV.
- Efficiencies were found in integrating responses to 3 diseases and the savings were reinvested into HIV enabling expanded access.
- Treatment optimization and strategic, multifaceted work to reduce pharmaceutical prices led to savings that enabled expansion of access to treatment.
- Bold reforms require overcoming unexpected hurdles and implementation of change cannot be all fully planned. Such reform requires flexibility and careful monitoring and support throughout the process.
- Donors flexibility in supporting reforms aided but even greater flexibility and offering buffers would be helpful in anticipation that some plans will fall through.

### *Sources used:*

- *Interviews with Olena Kucheruk, International Renaissance Foundation; Professor Volodymyr Kurpita, Mohyla Academy's Public Health School and former Director of the Center for Public Health under the Ministry of Health*
- *Hetman L, The Public Health Center under the Ministry of Health presentation 'Optimization of antiretroviral therapy in Ukraine 2017 - 2020' at the Regional meeting on the access and prices of the ARV drugs in SEE countries, 15 December 2020*
- *Ukraine's funding request for 2021-2023 to the Global Fund. Access in the Global Fund's database at: <https://data.theglobalfund.org/investments/documents>*
- *Advocacy funding data provided by Evgeniya Kononchuk, 100% Life; Anton Basenko and Pavlo Skala, Alliance for Public Health (PITCH project); Ievgen Kushnir, Alliance for Public Health (Cities Project; Global Fund country grant support for fast-track city advocacy).*

*Reviewed by: Olena Kucheruk; Alexandrina Iovita, Global Fund.*