CEGAA TAC Joint Statement: A story of hope on national HIV and AIDS policy and funding in South Africa

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By Nhlanhla Ndlovu*, Fikelephi Sithole**, Mlungisi Vilakazi**, Kwazi Mbatha* and Teresa Guthrie* *CEGAA, **TAC1
Email: nhlanhla@cegaa.org Web: www.cegaa.org

Introduction

President Jacob Zuma made a commitment to HIV and AIDS treatment in December 2009 when he announced the new HIV and AIDS policy stipulating that the provision of treatment to TB co-infected patients, infants and pregnant women will now be available up to a CD4 count of 350. As of end of September 2009, the health HIV and AIDS conditional grant has commendably supported a massive enrollment of AIDS patients on the ARV treatment (ART) programme, with a cumulative number of more than 920 000 patients initiated on the treatment. This marks a 91 per cent increase of patients enrolled on the ART programme from the 483 084 patients enrolled by April 2008. Budget 2010 released on the 17 February 2010 has progressively added new funds amounting to R3 billion to fund the president?s new policy and to sustain existing programmes and projects in the 2010/11 ? 2012/13 medium term, and to support the increase of AIDS patients receiving ARVs to 2.1 million by 2012/13 . Of concern though, is the lack of increasing commitment to prevention interventions, without which the treatment needs and costs will continue to increase.

2. 2010 health budget review

The general national health budget has grown from R18.4 billion in 2009/10 to R21.5 billion in 2010/11, with further increases to R23,7 billion and R25,5 billion in 2011/12 and 2012/13 respectively. These figures exclude the larger allocations from provincial equitable share budgets. The national health department has various priorities to achieve, including the strengthening of the Office of Standards Compliance for the hospital quality assurance programme to increase the functioning and the number of hospitals audited. The hospital revitalisation programme continues to receive increasing allocations with R4 billion specifically allocated for 2010/11. Additional allocations have been made to ?stabilise personnel expenditure? (Estimates of National Expenditure (ENE), 2010; page 283) as this is reportedly disrupted by the implementation of the underfunded occupation specific dispensation (OSD) for health professionals. Further, the health sector pr oposes changes in health management, by assessing skills, competencies and qualifications of hospital chief executives and managers. Where skills gaps are identified, appropriate training will be provided. Nonetheless, additional staff should be employed, trained and sufficiently compensated to ensure that the department has adequate human resources to respond to HIV and AIDS. Furthermore, a provincial support directorate will be established to enhance and monitor budgets and expenditures (ENE, 2010; page 281).

Figure 1: Total national health expenditure and budget estimates in Budget 2010, excluding provincial health budgets.

Source: Estimates of National Expenditure, 2010; page 282. Own calculations.

Figure 1 above indicates a growing trend in the allocation of health budgets at the national level. The national health budget grows in real terms by 10.39 per cent in 2010/11, and a further 3.85 per cent and 2.94 per cent in 2011/12 and 2012/13 respectively. This is a reasonable increase given the scarcity of resources especially after the recession period. The increase was expected because of the massive increase in health HIV and AIDS allocations announced by the Finance Minister Pravin Gordhin in his national budget speech on 17 February 20103.

Figure 2 below presents provincial health allocations as reflected in the 2009 budget. These figures are expected to change when the 2010 provincial budgets are released at end of February/ beginning of March 2010. As noticed in the national health budget, the provincial health budgets are also increasing to fund essential health services, such as the District Health Services programme.

Figure 2: Total provincial health expenditure and budget estimates in Budget 2009, pending changes in the upcoming 2010 provincial budgets.

Sources: Estimates of National Expenditure, 2009; Division of Revenue, 2009; Provincial Budget Estimates, 2009. Medium Term Budget Policy Statement 2009. Own calculations.

3. Summary of HIV and AIDS budgets and expenditures

Table 1 below outlines the expenditure for 2006/7 ? 2009/10 and budget estimates for 2010/11 ? 2012/13 for HIV and AIDS and related services. The table presents information from the three social sector departments (Education, Health and Social Development) because only these three departments have published budget information for HIV and AIDS. Other departments may have allocated some financial resources for HIV and AIDS, particularly in their Employee Wellness Programmes, but these are not recorded in the National Treasury documents.

Table 1: National Budget Allocations for HIV and AIDS, TB and Education Nutrition Programmes

Source: Estimates of National Expenditure, 2010; pages 275, 276, 287 and 370. Own calculations.
NB. These do not include the provinces? own allocations from their Equitable Share budgets.

In financial terms, the health HIV and AIDS conditional grant has been increased by R1.7 billion, R2.8 billion and R3.9 billion for 2010/11, 2011/12 and 2012/13 respectively to expand the AIDS treatment programme in line with the announcements of the new AIDS policy. The health HIV and AIDS budget grows faster than the other HIV and AIDS programmes in other departments. 2009/10 witnessed a real growth rate of 36.1 per cent in the total health HIV and AIDS budget (including the conditional grants to provinces, but excluding their equitable share allocations). This allocation grows again in 2010/11 by 25.9 per cent and 15.2 per cent in 2011/12. It further grows in real terms by 10.7 per cent in 2012/13. Unfortunately the results of the HIV and AIDS costing study commissioned by the National Treasury and the National Department of Health have not been released to compare the available funds with required funding.

Notably, the TB programme budget has grown in real terms by 30.5 per cent in 2010/11. Surprisingly it drops drastically by 21.1 per cent and 48.5 per cent by 2011/12 and 2012/13 respectively. This is concerning because TB is one of the opportunistic infections prevalent in patients living with HIV and AIDS, and there have been reports that the co-infection rate of HIV and TB is 70 per cent.

?About 70 percent of South Africans diagnosed with TB are co-infected with HIV and, despitebeing curable, the disease is the country's leading natural cause of death and one of the main factors behind South Africa's declining life expectancy? (PlusNews, 29 December 2009).

In addition, HIV-infected patients may be more vulnerable to MDR and XDR TB, and therefore additional funds are required to address this escalating problem. Ideally, the health department should increase the TB budget to deal with the co-infection problem, and the MDR and XDR TB situation, as these are much complex and expensive illnesses to manage and treat.

4. Education response to HIV and AIDS

Programme 5: Social Responsibility of the Department of Education houses the Health in Education subprogramme which is responsible for ?policies on the overall wellness of educators and learners, and manages and monitors the national school nutrition programme?. Funds will mainly be used for transfer payments for the?nutrition programme and the HIV and AIDS conditional grants to provincial education departments (Estimates of National Expenditure, 2010 Page: 274). The HIV and AIDS conditional grant will also be used in reviewing current HIV and AIDS educational interventions and to develop a new integrated and comprehensive programme over the medium term (2010/11 ? 2012/13) (Ibid). The Education HIV and AIDS Lifeskills Grant grew in real terms by 2.8 per cent from R165 million in 2008/9 to R180 million in 2009/10, but thereafter declines in real terms by 1.7 per cent in 2010/11. It drops further by 0.2 per cent and 0.8 per cent, in real ter ms, in 2011/12 and 2012/13 respectively. This is not good news. The education sector should promote prevention education and consistently enhance its lifeskills HIV and AIDS programme from year to year to ensure that school going children are aware of the risks of HIV and AIDS, and adopt the necessary behavioral changes.

School nutrition is not part of the HIV and AIDS response per se, but is aimed at mitigating the impact of poverty, and has been of primary importance to orphans and vulnerable children living in poor settings, such as rural and informal settlements. The education sector provides nutritional support to learners at primary school level, and has allocated additional amounts of R3,7 billion for 2010/11 and R4,6 billion for 2011/12 to provide nutritional support at needy secondary schools. The national nutrition budget housed in the education department grew by 16.5 per cent in real terms in 2009/10, with additional massive allocations (real growth of 44.7 per cent) made in 2010/11, to include additional secondary schools in poorer circumstances. A further real growth of 17.6 per cent is expected in 2011/12 to include another type of disadvantaged secondary schools. This effort is aimed not only at mitigating the impact of poverty, but also at improving learner a ttendance, learner performance and pass rate especially for matriculants.

5. Social Development response to HIV and AIDS

The HIV and AIDS programme of the Department of Social Development, the so-called Home Community Based Care programme, develops, supports, and monitors the implementation of policies, programmes and guidelines to prevent and mitigate the impact of HIV and AIDS in line with the 2007 to 2011 National Strategic Plan for HIV and AIDS, Sexually Transmitted Diseases, Tuberculosis and Malaria (ENE, 2010; page 369). The programme also seeks to facilitate the development and implementation of behaviour change programmes by 2012/13. The home community based care programme monitoring and evaluation system will also be developed and implemented by March 2013. The National Department of Social Development is allocating R64.8 million, R68.2 million and R70.5 million for 2010/11, 2011/12 and 2012/13 respectively. These represent real growth rates of 0.7 per cent, -0.9 per cent and -2.4 per cent respectively. Further equitable share allocations are expected from provinces? own budgets which are released shortly after the national budget.

6. Concluding remarks and recommendations

In summary, the new national budget presents a compelling picture that the South African government is committed to expanding HIV and AIDS treatment. Despite this, it is impossible to comment on sufficiency of these financial resources as HIV and AIDS budgeting and planning exercises are not informed by costing assessment. However the National Treasury and the National Department of Health commissioned a costing exercise in an attempt to understand HIV and AIDS funding needs in the country. Results of this exercise will be available during 2010, so as to inform the formulation of Budget 2011.

Caution also needs to be made around the national antenatal HIV prevalence rate of 29.3 per cent (as of October 2009). Given the high HIV prevalence rate, there is urgent need to scale up the prevention activities, to which the new budget does not appear to give priority. Therefore more strategic focus on effective prevention campaigns, the promotion of male circumcision, implementation of the PMTCT policy, and strengthening of school lifeskills education are all required. The Education HIV and AIDS Lifeskills Grant needs to be increased to promote prevention and awareness amongst school going youth. Hopefully it would have a spill-over effect on the high rates of teenage pregnancy which the Department of Education hopes to address through its Social Responsibility Programme (ENE, 2010; page 274).

It is also concerning that there seems to be less financial commitment to TB prevention and treatment as the budget for this purpose is declining in the medium term. The national budget does not comment on MDR and XDR TB which is also worrying as these diseases pose a serious threat to people living with HIV and AIDS. Their quality of life could be greatly enhanced by intensifying the fight against various forms of tuberculosis. Further research and interventions need to be made on this subject to deal with the issue of co-infection between HIV and TB and MDR TB.

Finally, the Department of Health is producing quarterly progress reports on the implementation of the health HIV and AIDS grant. Other departments implementing HIV and AIDS interventions should also be producing these reports. However, the reports are yet to be seen in the public domain to allow scrutiny by citizens and recipients of HIV and AIDS interventions. Thus, information management and dissemination processes need to be improved to enhance social accountability and transparency.

7. References

i. National Treasury. 2010 Estimates of National Expenditure (ENE).
ii. National Treasury. 2010 Budget Speech.
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iv. National Treasury. 2009 Estimates of National Expenditure.
v. National Treasury. 2009 Medium Term Budget Policy Statement.
vi. 2009 Provincial Budget Estimates.
vii. PlusNews. 2009. ?SOUTH AFRICA: New technology could revolutionise TB diagnosis?. 29 December 2009n/a

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